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Sup. Ct.

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

Petitioners.

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,

Respondents.

**PETITION FOR WRIT OF CERTIORARI AND
BRIEF IN SUPPORT THEREOF.**

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

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OPINION OF THE COURT BELOW.

The opinion of the Court of Appeals is officially reported in Goodwin v. Borg-Warner Corp., 157 F(2d) 267.

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No.

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

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GEORGE I. GOODWIN and JOHN F. DAUKUS,

Respondents.

**PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE SIXTH CIRCUIT.**

*To the Honorable Frederick M. Vinson, Chief Justice of
the United States, and the Associate Justices of the
Supreme Court of the United States:*

Your Petitioners respectfully show:

I.

Summary Statement of Matter Involved

Petitioners (appellees, plaintiffs below) seek a review of a judgment of the United States Circuit Court of Appeals for the Sixth Circuit entered July 1, 1946 (R. 439). A petition for rehearing was denied September 23, 1946 (R. 485). A second petition for rehearing was denied

October 21, 1946 (R. 495). That judgment reversed a judgment of the District Court of the United States for the Eastern District of Michigan, Southern Division, entered June 20, 1945 (R. 40) adjudging all claims of Dankus patent No. 2,324,913 for a clutch plate invalid for want of invention, and, though the District Court made no finding or adjudication as to infringement, remanded the case for an accounting and for further proceedings in accordance with the opinion of the Court of Appeals.¹

The opinion of the Court of Appeals (R. 440) includes a determination that the asserted claims² of the patent in suit are infringed by the manufacture and sale of the "Borglite" plate, which is extensively manufactured and sold by petitioner Borg-Warner Corporation under that trade name and was developed by its engineers, independently and without knowledge of any activity of the patentee.³

The patent, which issued on an application filed seven years after what petitioners contend was a public use of the claimed invention by the patentee, and had no commercial history, relates to the "clutch plate" of a friction clutch structure intended primarily for use in the driving gear or power train of an automobile.⁴ It was issued following an award of priority of invention to the patentee by the Board of Interference Examiners in an interference proceeding involving an earlier filed application of petitioner Gamble, which was intended to cover the Borglite plate.⁵

In its decision the Board defined the single characteristic wherein the claimed invention differed from the prior

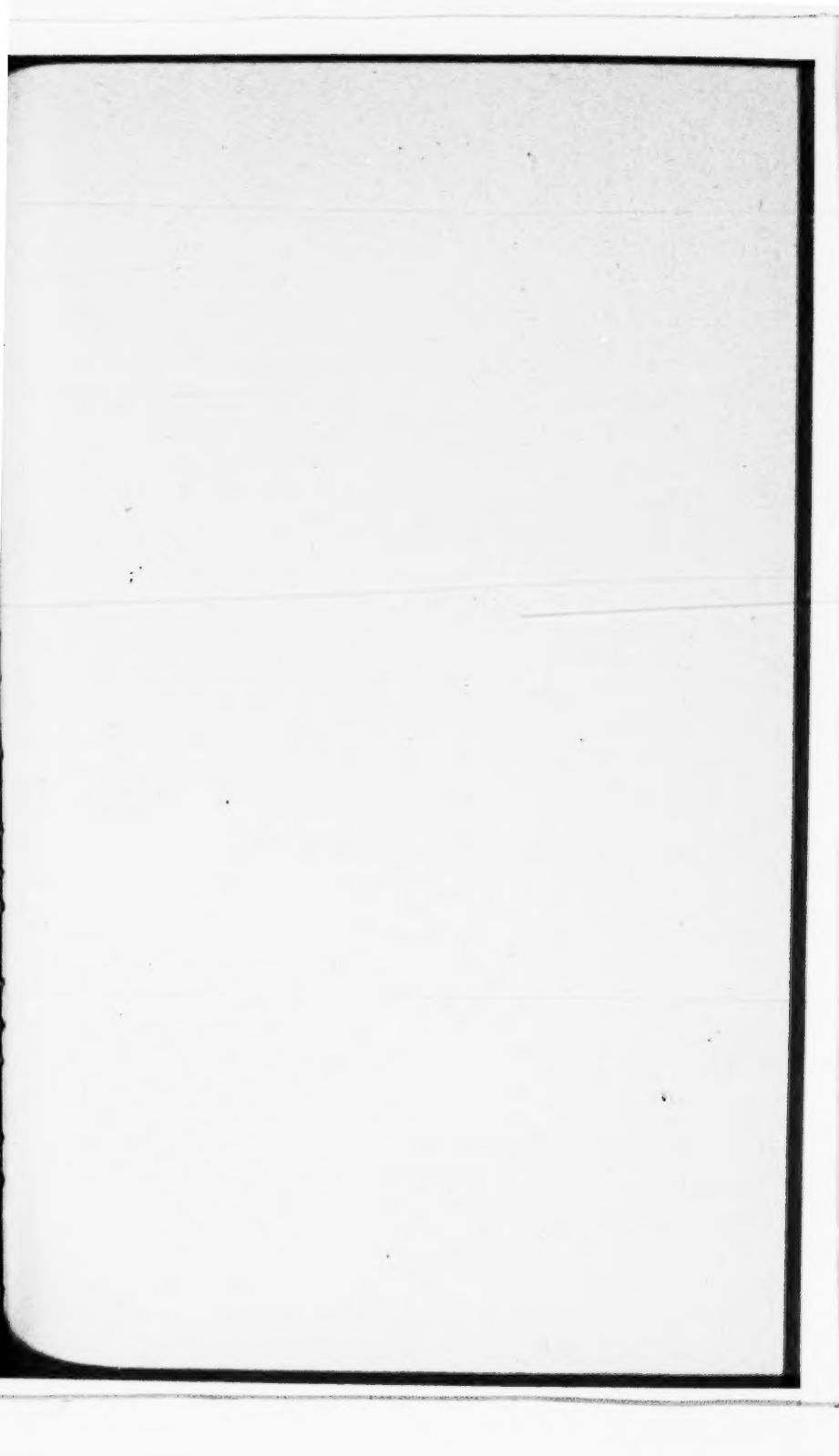
¹ The history of the litigation is stated *infra* p. 12.

² Claims 4, 6, 13, 14, 15, 17, 19, 20, and 23 were asserted.

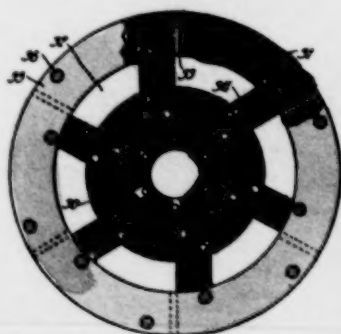
³ Gamble Interference Record, Plaintiffs' Exhibit AAA2, p. 14, Q. 10; p. 51, XQQ. 199, 200; p. 100, Q. 9.

⁴ For function and character of the clutch see *infra* p. 14.

⁵ The subject matter in controversy is described in the decision of the Board (R. 13), quoted *infra* p. 13.



COMPARISON OF DRAWINGS OF DAUKUS PRIOR ART PATENT AND PATENT IN SUIT



Daukus Patent
No. 1,777,399
Fig. 4 (R. 208)



Daukus Patent
No. 2,324,913
Fig. 1 (R. 408)

Corresponding parts are colored alike, though numbered differently. Friction facings (yellow) are partially broken away to show peripheral portions of cushion members (blue). The structural arrangements differ only in the number of rivets and holes provided therefore, a slightly different angular arrangement of cushion members (blue) respectively designated 34 and 17, an increased number of them in the case of the patent in suit, and the omission from the drawing of the earlier patent of the hub and associated parts including flange (brown) and rivets (green), shown in the drawings of the patent in suit and essential to and contemplated in the structure of the earlier patent.

art considered by it, and particularly a prior patent to the patentee Daukus,¹ as being the feature that the cushion elements are of less thickness or weight per unit area than the intermediate member (R. 15). The general similarity of the structures of the two Daukus patents and the correctness of the Board's definition of the characteristic distinguishing the later one from the earlier one are reflected in the corresponding patent drawings.²

Restricted by the technical procedure of the Patent Office to a determination of the question of *priority* of invention, the Board declined to consider evidence of prior public use in defining the patentable character of the interference issue (R. 17, 8th line from bottom). See *Stern v. Schroeder* (CCPA) 36 F(2) 518, 521.

There is no basis in the reduction to practice upon which priority of invention was awarded Daukus for much of the descriptive matter contained in the patent in suit (see particularly p. 2, lines 36 *et seq.*, R. 410), which, circumstances indicate, must have been suggested by the intervening Borglite plate that had gone into commercial production before Daukus filed his long-delayed application.³ The Borglite plate differs materially from the only Daukus structures ever made (three in number, including Daukus Exhibits 2 and 5 and an anomalous Cadillac installation similar to Exhibit 2) and particularly in that the cushion members are made of clock spring steel about one third as thick as Daukus's cushion members and hav-

¹ Patent No. 1,777,399 (R. 409).

² See colored reproduction of the drawings on chart opposite.

³ Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 41-49, XQQ. 295-358; pp. 64, 65, XQQ. 465-473; Gamble Interference Record, Plaintiffs' Exhibit AAA2, pp. 18-20, QQ. 33-40; p. 32, Q. 105; pp. 100-109, QQ. 9-42; pp. 34, 35, QQ. 114-121; pp. 73-75, QQ. 82-89.

ing extraordinary resilience and strength, the use of which gives the plate a correspondingly reduced polar moment of inertia or spinning momentum and marks a radical departure from previous practice. It is to this feature that the outstanding commercial success of the Borglite plate is due.¹

Production of the Borglite plate constitutes the greater part of the production of Borg-Warner's clutch manufacturing division, Borg and Beck Company, which has its plant in Chicago, and, as the Court of Appeals recognized, is known as the largest manufacturer of clutch plates in the world. Sales of the Borglite plate currently amount to several million dollars annually and are made directly to the larger manufacturers of automobiles whose plants mainly are located in the Sixth Circuit, some of whom themselves make limited quantities of the plate; or through regional agencies of Borg-Warner for replacement use in the products of such manufacturers.²

The case was submitted to the District Court on the Patent Office records, and depositions taken following the decision of the Board of Interference Examiners, including numerous exhibits, among them various prior art patents.³ Testimony regarding public uses under patents to Ahlne, and Reed which was not before the Patent Office, clearly showed extensive public use and sale prior to 1930 of clutch plates having cushion members of less thickness

¹ Gamble Interference Record, Plaintiffs' Exhibit AAA2, p. 29, Q. 91; pp. 51, 52, XQQ 201-203; p. 58, RXQQ 230, 232; p. 91, RDQ. 169; p. 137, Q. 196; p. 181, RDQ. 366; p. 187, RDQ. 380; R. 147, RDQ. 12.

² R. 89, Q. 246; R. 113, XQ. 32; Plaintiffs' Exhibit AAA2, p. 16, QQ. 16-18; p. 41, XQ. 147.

³ These included Daukus Patent No. 1,777,399, Ahlne Patent No. 1,727,153, Reed Patent No. 1,889,698, Gamble Patent No. 1,652,006, and Kraker Patent No. 283,493.

than the intermediate members.¹ These do not differ materially from Daukus Exhibit 5, which, Daukus testified in effect, embodies the claimed invention and differs from his Exhibit 2 upon which priority of invention was awarded to him only in the admittedly unimportant respect that the cushion members are integral parts of a unitary structure.² In each of these structures the cushion members are segmented so as to function individually, the only difference being that in the one case they are riveted to an intermediate plate, while in the other they are integral parts of a plate which is riveted to or otherwise supported by an intermediate plate.

The District Court, in its findings of fact, quoted the language of the Board of Interference Examiners definitive of the alleged invention and found "beyond a reasonable doubt that it had been a common practice more than two years prior to the alleged invention to make the cushion elements of steel and thinner than the intermediate member," that the invention was not made by Daukus, and that no patentable invention was disclosed by either Gamble or Daukus (R. 37). No finding was made as to the issue of infringement and numerous other issues, including laches, and prior public use of the claimed invention (R. 24-28).

The District Court, in addition to adjudging all claims of the patent in suit to be invalid, dismissed both the original bill under Sec. 4915 R. S., and the counterclaim, and enjoined respondents from prosecuting or threatening to prosecute any action charging infringement of that patent by Borg-Warner. Petitioners did not appeal from that

¹ See III and IV in chart at end of brief. It should be borne in mind in considering them that the spring dampers which include the coil springs indicated at 12 are additional prior art features contemplated in the patent in suit and do not affect the determination of the issues.

² Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 24, 25, QQ. 156, 157, 161, 162; p. 80, RXQ. 605.

judgment, but respondents did appeal from that part of it which dismissed their counterclaim (R. 41, 44).

While petitioners vigorously contended in the Patent Office for an award to Gamble of priority of invention as to the counts of the interference issue, and in the District Court for claims limited to the critical material to which the success of the Borglite plate is attributed, they did not persist after the judgment of the District Court was entered.

The opinion of the Court of Appeals sets aside the finding mentioned, sustains the asserted claims as covering a new structural combination and not invalidated by prior public use of the patentee, and holds that they are infringed as previously stated.

The judgment of the Court of Appeals presents the following questions which, petitioners submit, should be answered in the affirmative.

Questions Involved

1. Did the Court of Appeals, in setting aside the finding of facts by the District Court, violate the provisions of Rule 52 (a) F. R. C. P. that "findings of fact shall not be set aside unless clearly erroneous", and thereby depart from the accepted and usual course of judicial proceedings to an extent calling for the exercise of this Court's power of supervision?

2. Did the Court of Appeals while purporting to apply the principle enunciated in *Elizabeth v. Pavement Co.*, 97 U. S. 126, 135, and *Smith & Griggs Co. v. Sprague*, 123 U. S. 249, 255, depart from the principle of *Egbert v. Lippman*, 104 U. S. 333, 336, in determining *de novo* that the patent in suit is not invalidated by any public use on the part of the patentee prior to the two year period before his

application, and exceed its jurisdiction in so doing in the absence of any finding of fact thereon by the District Court?

3. Did the Court of Appeals, in sustaining claims of the patent in suit as embracing a new structural combination, depart from the principle of *Lincoln Engineering Co. v. Stewart Warner Corp.*, 303 U. S. 545, 549, that an improvement of but one element of an old combination does not revive the combination, but at most entitles the improver to a patent on the improved element?

4. Whether the Court of Appeals in giving effect to claims of the patent in suit as embracing the Borglite plate departed from the principle of *Atlantic Works v. Brady*, 107 U. S. 192, L. Ed. 438, 441, and *Railway Company v. Sayles*, 97 U. S. 554, 563, that claims for an invention shall not be wrongfully expanded to enable a patentee to capture the independent developments of others, and from the principle of *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 476, that the loser in an interference contest is not estopped to dispute the validity of the patent?

5. Did the Court of Appeals exceed its jurisdiction in determining the issue of infringement adversely to petitioners and remanding the case for an accounting, thereby circumventing findings of fact and an adjudication of the issue by the District Court and the operation of Rule 52 F. R. C. P. thereon, and thus depart from the accepted and usual course of judicial proceedings to an extent calling for the exercise of this Court's power of supervision?

Reasons for Granting the Writ.

1. The far-reaching effect of the judgment of the Court of Appeals upon manufacturers of automobiles and the public in view of the concentration of the automobile indus-

try largely in the Sixth Circuit, the doubtful validity of the patent in suit, and the improbability that any litigation will occur in another circuit whereby a conflict of decisions of different Courts of Appeal may arise call for the issuance of the writ according to the precedent established by the Court in *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47, 50; cer. gr. 304 U. S. 587. It is well known, as this Court recognized in that case, that the automobile industry is largely concentrated in the Sixth Circuit, and by virtue of the judgment of which review is sought respondents have established the validity of the patent in suit against substantially more than ninety per cent of the automotive industry, unless by the granting of the writ here sought, this Court shall rule otherwise.¹

Indeed, as to the few manufacturers beyond the Sixth Circuit, as a practical matter they may, in effect, be subjected to the jurisdiction of the Sixth Circuit Court of Appeals through the expedient of suing dealers or others. Moreover, the owner of the patent resides in the Sixth Circuit, thus necessitating the bringing of any action for a declaratory judgment in that circuit.

If the judgment of the Court of Appeals be permitted to become final, respondents will have it within their power either to stop or to levy a heavy tribute upon the production of the Borglite plate, notwithstanding its development independently of anything that Daukus did, to the hindrance and detriment not only of petitioners, but of the automotive industry and the motoring public. There would be no occasion for their instituting further litigation involving the validity of the Daukus patent outside the Sixth Circuit, and little likelihood that any ground for the exercise of the jurisdiction of this Court to enable it to determine the validity of that patent would arise.

¹ Supporting statistics and authorities are cited *infra*, p. 35.

2. The evidence of record including the patents mentioned, and testimony regarding public use under the Ahlene and Reed patents, amply supports the finding of fact set aside by the Court of Appeals. That court has, therefore, acted contrary to the provision of Rule 52(a) F.R.C.P. inhibiting the setting aside of findings of fact of a district court unless clearly erroneous, and exceeded its jurisdiction as defined in Sec. 128 of the Judicial Code, U.S.C. Tit. 28, Sec. 225, as that statute and that rule have been applied in numerous decisions of this Court and by the circuit courts of appeal generally, and thus departed from the usual and accepted course of judicial proceedings to an extent requiring clarification as to the scope and application of the rule in patent cases and an exercise of this Court's power of supervision under subdivision 5(a) of Rule 38 of the rules of this Court. Likewise, in adjudicating the issue of infringement and the issue of prior public use by the patentee of the alleged invention of the patent in suit without an adjudication or finding by the District Court as to those issues.

3. The opinion of the Court of Appeals indicates a serious misconception of the issues and the evidence and a departure from applicable principles of the law as established in the decisions of this Court which have been cited, and its judgment, if allowed to stand, will not only operate as a denial of substantial justice to petitioners and effect an unjust enrichment of respondents but tend to promote confusion among the courts charged with the application of the laws pertaining to patents.

4. If there were proper ground for reversal on the issue as to validity of the patent in suit, at most the Court of Appeals should have remanded the case for trial by the District Court of the issues as to which it had failed to

make a finding. The Court has indicated that it will take jurisdiction to make a corrective order appropriate in such circumstances. *Electrical Fittings v. Thomas & Betts*, 307 U. S. 241, 242.

Wherefore, Petitioners pray that a Writ of Certiorari issue under the seal of this Court directed to the United States Circuit Court of Appeals for the Sixth Circuit, sitting at Cincinnati, Ohio, commanding said Court to certify and send to this Court on a day to be designated, a full and complete transcript of the record, and all proceedings of the said Circuit Court of Appeals had in the case numbered and entitled on its docket No. 10,119, George I. Goodwin and John F. Daukus, Appellants, *v.* Borg-Warner Corporation and David E. Gamble, Appellees, to the end that this cause may be reviewed and determined by this Court; that the judgment therein of the said Circuit Court of Appeals be reversed by this Court; and that the cause be remanded to that Court with directions to affirm the judgment of the District Court, and such other and further relief as this Court may deem proper.

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

BRIEF IN SUPPORT OF PETITION

Jurisdiction

Petitioners would invoke the jurisdiction of this Court under Section 240(a) of the Judicial Code as amended by the Act of February 13, 1925, U.S.C. Tit. 28, Sec. 347, to review a judgment of the United States Circuit Court of Appeals for the Sixth Circuit dated July 1, 1946 (R. 439), in a suit instituted under Sec. 4915 R.S., U.S.C. Tit. 35, Sec. 63, wherein a supplemental bill of complaint was filed under the Declaratory Judgment Act, U.S.C. Tit. 28, Sec. 400; Judicial Code, Sec. 274(d), alleging jurisdiction under the Act of March 3, 1911, c. 231, Sec. 24, par. 7, Stat. 1902, U.S.C. Tit. 28, Sec. 41(7), and a counterclaim was filed charging infringement of United States Letters Patent. Petition for rehearing was denied September 23, 1946 (R. 485); a second petition for rehearing was denied October 21, 1946 (R. 495). This petition is presented within three months from and after the denial of petition for rehearing.

STATEMENT.

Elaboration of the general statement contained in the petition in certain respects seems desirable.¹ The bill of complaint filed by petitioners presented among other matters the usual question of priority of invention. Respondent Goodwin was joined as an assignee of the Daukus application. Respondents' answer denied that Goodwin was an assignee, but admitted that he was an exclusive licensee. The distinction is unimportant. Goodwin is the principal party in interest.

¹ The action began as a suit under Section 4915 R. S., U. S. C. Tit. 35, Sec. 63, following a notice of election by respondents under Sec. 4911 R. S., U. S. C. Tit. 35, Sec. 59a, when petitioners had given notice under Section 4912 R. S., U. S. C. Tit. 35, Section 60, of their appeal to the Court of Customs and Patent Appeals from a decision of the Board of Interference Examiners in an interference proceeding involving the application which resulted in the patent in suit and an application of petitioner Gamble awarding priority of invention to Daukus. After issue had been joined by the filing of defendant's answer, the patent in suit was granted. Thereupon respondents notified petitioner Borg-Warner Corporation of infringement under that patent and to discontinue the manufacture and sale of its Borglite plates claimed to infringe the patent. Petitioners then, with leave of court, filed their supplemental bill of complaint under the Declaratory Judgment Act, U. S. C. Tit. 28, Sec. 400, Judicial Code Sec. 274 (d), seeking an adjudication of the invalidity of the patent in suit, and that petitioners have not infringed its claims, a declaration of the rights and legal relations of the parties as to the controversy, preliminary and final injunctions restraining respondents from asserting the patent, and other relief. Respondents' answer to this was accompanied by a counterclaim charging petitioners with infringement, which petitioners denied.

The supplemental bill of complaint sought an adjudication of invalidity of the Daukus patent as to all its claims, non-infringement thereof by petitioners, a declaration of the rights and legal relations of the parties as to the controversy, and other relief. The charge of invalidity was grounded on a structure made prior to the year 1930 under Ahlene Patent No. 1,727,153 and another prior to 1932 under Reed Patent No. 1,889,698, the disclosures of the Reed and Ahlene patents themselves, laches of Daukus in applying for a patent more than seven years after his claimed public use and sale, as well as such public use and sale, want of invention over other specified prior art patents, and because Daukus surreptitiously obtained his patent for that which was in fact invented by others.

The subject matter in controversy is described in the decision of the Board of Interference Examiners (R. 13).²

² The Board, in awarding priority of invention to Daukus as to the ten counts in issue, described the subject matter in controversy as follows (R. 13):

"As shown in the application drawings of the parties, the clutch plate or disk of each applicant consists of three concentric elements; first, a central hub member designed to be carried on the driven shaft of the clutch; second, an intermediate disk-like annular member surrounding and mounted on the hub member; and third, an annular series of generally arcuate cushion members attached to but extending radially beyond the intermediate disk to support a pair of annular friction facings. The arcuate cushion members are provided with transverse waves which resiliently hold the facings apart. Thus the friction plate is made up of a hub and two concentric zones comprising the intermediate plate mounted on the hub and the working or friction zone forming the outer peripheral margin of the plate. A distinguishing feature of the new clutch plate is that the cushion members are of thinner material than is the

The interference record shows that Daukus attempted to establish a reduction to practice of his claimed invention in 1931. This, according to his own testimony, was first made according to the disclosure of his earlier Patent No. 1,777,399 and installed in 1931 in another's Cadillac car which was brought to him for repair. Upon proving to be unsatisfactory because the gears clashed and chattered, it was removed, modified chiefly by grinding down the cushion members to make them thinner and reinstalled a week later in the same car. After experimenting with it for three or four weeks, Daukus returned the car, without restriction, to the owner who thereafter expressed satisfaction with the clutch and subsequently disposed of the car after driving it for six or eight months.³ That clutch plate was not produced in evidence, but Daukus said that it was "just as good", "the same thing", as his Exhibit 2 which was produced and was the basis of the award of priority of invention to him by the Board of Interference Exam-

² (Continued):

intermediate member on which they are mounted; that is, the cushion members are of less weight per unit area than the disk-like intermediate member, thus reducing the spinning inertia of the clutch plate, and permitting quick shifting of the gears which is the ultimate object of the invention of the counts."

The clutch structure, which is arranged intermediately of the engine and the transmission gear mechanism of the automobile and transmits the full power of the engine which is ultimately communicated to the rear wheels, comprises a driving element and a driven element and must be operated as a preliminary to every shift of gears of the transmission mechanism (R. 53, qq. 8-11). In order to provide a smooth driving connection, there must be slippage between the driving and driven elements as engagement and disengagement occur. A friction type of clutch in which power is transmitted by friction between adjacent faces of the driving element and the driven element is therefore preferred.

³ Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 12, 14, qq. 42-55; pp. 68-74, xqq. 490-539, 545-547.

iners.⁴ While Daukus attempted to establish an earlier date for it, the Board held that a reduction to practice as shown in his Exhibit 2 was established in 1935 (R. 19). The only other structure claimed to embody Daukus's invention is Daukus Exhibit 5 which was made in 1937. In these structures the cushion members were approximately 0.06 inch thick or thicker.⁵ Except for the use of these structures while operating his car and his truck from day to day in the usual course of his business, nothing else of importance was done by Daukus in the development of his claimed invention. Nothing was done to improve or perfect it. It was not until after the Borglite plate had become generally known in the automotive industry that he was stirred into activity by respondent Goodwin, who seems to have moved about in the industry,⁶ and, after hunting out Daukus and investigating what he had done, engaged an attorney to whom he explained the supposed invention and financed the filing and prosecution of the Daukus application.⁷

Daukus's delay of seven years—from 1931 to Aug. 26, 1938—is explained, quite feebly, as due to lack of funds and that he was testing the durability of the structure.

The Borglite plate, which differs materially from the only Daukus structures ever made (Daukus Exhibits 2

⁴ Daukus Interference Record, Plaintiffs' Exhibit AAA1, p. 73, xq. 539; R. 19.

⁵ Daukus Interference Record, Plaintiffs' Exhibit AAA1, p. 69; Gamble Interference Record, Plaintiffs' Exhibit AAA2, p. 138.

⁶ Gamble Interference Record, Plaintiffs' Exhibit AAA2, pp. 34, 35 qq. 114-121; pp. 73-75, qq. 82-89.

⁷ Goodwin procured an exclusive license under the patent in suit, and obtained assignments of three earlier Daukus patents, including No. 1,777,399. Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 41-49, xqq. 295-358; pp. 64-65, xqq. 465-473.

and 5, and the Cadillac installation), was designed to overcome difficulties experienced in the use of previous clutch types which Borg-Warner had made in large quantities,—these are illustrated in the chart at the end of this brief,—and particularly a driven clutch element or plate known as the compound cushion type, and illustrated in color (at V) in that chart.⁸

It was Gamble's idea that spinning weight would be greatly reduced and a more desirable cushion obtained by reducing the diameter of the flat plate (blue) of that structure — this was the cushion plate, not the intermediate member — to something less than the inside diameter of the friction facing (yellow) and lengthening the clock spring steel cushion springs (white) to enable their being attached to this flat plate within the smaller diameter.⁹ The idea of having cushion members of such light weight material was viewed by Gamble's associates with apprehension, but experimental structures embodying the idea were made and tested and disclosed to representatives of leading manufacturers of automobiles during 1937 and early 1938 with the result that a clutch plate which was named the "Borglite" plate went into production.

A distinctive feature of this plate, which is illustrated (at VI) in the accompanying chart, resides in providing individual cushion members (blue) wholly of clockspring steel, the resilient qualities and strength of which are such as to provide accuracy and uniformity of clutch spring action and enable reducing the thickness of the cushion members from approximately 0.065 inch to 0.020 inch and correspondingly reducing their weight and hence their

⁸ Gamble Interference Record, Plaintiffs' Exhibit AAA2, pp. 181, 182, rdq. 366; R. 147, rdq. 12.

⁹ Same exhibit, p. 14, q. 10; p. 58, rxqq. 230, 232; p. 137, q. 196; R. 147, rdq. 12.

polar moment of inertia or spinning momentum.¹⁰ By way of contrast the thickness of Daukus's cushion members was three times as great and their polar moment of inertia correspondingly greater.¹¹ The cushion members (blue) of the Borglite plate were provided with inwardly extending reduced portions riveted at spaced intervals to the peripheral portion of an intermediate plate (red) of heavier material, which is mounted on a hub (brown). Gamble's application which was intended to cover this structure, and was assigned to Borg-Warner, was filed in the Patent Office more than fourteen months before Daukus's application was filed.¹²

The first sale and commercial delivery of the Borglite plate was made in May 1938. Extensive commercial production followed in the latter part of July, and except for war time interruption has continued increasingly ever since, and including additional forms of the same general design.¹³

In its decision the Board defined the single characteristic which distinguishes the claimed invention from the prior art considered by the Patent Office (R. 15). Expressly noting that the feature of separation of the cushion members, the intermediate member and the hub was disclosed in the prior Daukus patent, it limited the claimed invention to the feature that the cushion members were

¹⁰ Plaintiffs' Exhibit AAA2, Gamble Interference Record pp. 18, 19, qq. 33-36; R. 71, q. 138, p. 91, q. 259, R. 135, 136, xqq. 75, 80; R. 147 rdq. 12; Plaintiffs' Exhibit AAA26.

¹¹ See note 5, above.

¹² Gamble's application Ser. No. 147,936 was filed June 12, 1937, and assigned to Borg-Warner Corporation (R. 35). Daukus's application was filed August 26, 1938.

¹³ Plaintiffs' Exhibit AAA2, Gamble Interference Record pp. 18, 19, 20, qq. 33-40; pp. 32, q. 105; pp. 100-109, qq. 9-42.

thinner or of less weight per unit area than the intermediate member." While Daukus speaks of bending "L-shaped spokes" or cushion members "for cushioning"¹⁴ and the specification of the patent in suit states that the "circumferentially extending ~~swing~~ing portions 17b" of these parts "are each preferably formed with a single wave . . . , as shown in Fig. 3" (R. 410, 1st col., line 9), this was an old and well known expedient (R. 137, XQQ. 85-88).

The decisions of the District Court and the Court of Appeals are sufficiently stated in the Argument.

Specification of Errors.

The Circuit Court of Appeals erred:

1. In reversing the judgment of the District Court and remanding the case for an accounting and for further proceedings in accordance with the opinion of the Circuit Court of Appeals, and in failing to affirm the judgment of the District Court;

¹⁴ The Board said (R. 15):

"The interlocutory proceedings developed the two characteristics by which the counts essentially differ from the prior art. The first of these two features is that the hub, the intermediate member and the cushion elements are all separate and distinct members. The second co-existent feature is that the cushion elements are of less thickness or weight per unit area than the intermediate member.

"Perhaps the closest prior art is illustrated in Figure 4 of the Daukus patent, No. 1,777,399 which figure shows elements corresponding to those of the new friction plate, except that it does not explain whether the outer L-shaped cushion members 31 are thinner or thicker than the intermediate disc 30, or are of the same thickness. Because of this indefiniteness, the counts cannot properly be said to express only a difference in degree over what is shown in the patent."

¹⁵ Daukus Interference Record Plaintiffs' Exhibits AAA1, p. 13 and 46.

2. In adjudging Daukus Patent No. 2,324,913, and particularly claims 4, 6, 13, 14, 15, 17, 19, 20, and 23 thereof to be valid, and infringed by the manufacture and sale by petitioner Borg-Warner Corporation of the Borglite plate;

3. In setting aside Item 11 of the findings of fact of the District Court, and adjudging that the Daukus patent in suit is valid;

4. In adjudging that the Daukus patent in suit is not invalidated by any public use on the part of Daukus prior to the two year period before his application, and in failing to adjudge that the said patent is invalid because of public use of the subject matter thereof by Daukus and others more than two years before the filing of the application whence issued the patent in suit.

ARGUMENT.

The Court of Appeals in Reversing the Judgment of the District Court Acted Contrary to the Provisions of Rule 52(a) F.R.C.P. Inhibiting the Setting Aside of Findings of Fact of a District Court Unless Clearly Erroneous.

The jurisdiction of circuit courts of appeal is defined in U. S. C. Tit. 28, Sec. 225 (a) as "appellate jurisdiction to review by appeal . . .". The jurisdiction of the Court of Appeals for the District of Columbia is similarly defined.¹⁰

The Court of Appeals for the District of Columbia in *Schilling v. Schwitzer-Cummins Co.*, 142 F. (2d) 82, having under consideration an appeal from a judgment of the District Court in a proceeding under Sec. 4915 R. S. in which the appellants sought consideration of the evidence

¹⁰ D. C. Code (1940) Tit. 17; Sec. 11-208.

de novo, citing those jurisdictional provisions said (p. 83):

"It is not the function of an appellate court to assume the powers of the trial court; which it would do necessarily, if it tried, *de novo*, such a case as the present."

In *Webb v. Frisch*, 111 F. (2d) 887, the Court of Appeals for the Seventh Circuit, when asked to set aside a finding of fact of prior use said (p. 888):

"Our function is to review the finding of the lower court and not to pass upon the evidence *de novo*."

It should be noted that the District Court not only found "beyond a reasonable doubt" that the characteristic which the Board of Interference Examiners had determined as distinguishing the claimed invention from the prior art patents considered by the Patent Office, namely, the making of the cushion elements of steel and thinner than the intermediate member, "had been a common practice more than two years prior to the alleged invention", but that "the invention was not made by Daukus", and that "there was no invention disclosed in" the Daukus application.¹⁷

The opinion of the Court of Appeals sets aside the finding mentioned. It states that "this finding miscomprehends

¹⁷ The finding of the District Court on this point reads, in part (R. 37):

"11. Assuming that it could be said that the discovery that making the 'L-shaped' cushion members of lighter materials would reduce the spinning inertia of the plate constituted patentable invention, the invention was not made by Daukus. Clutch plates embodying this concept were in use and on sale prior to 1930. The evidence of this prior use was not before the Patent Office * * * the record in this case proves beyond a reasonable doubt that it had been a common practice more than two years prior to the alleged invention to make the cushion elements of steel and thinner than the intermediate member. There was no patentable invention disclosed in either the Daukus or Gamble applications."

the purpose and the gist of the claimed invention" and, in effect, that it is based on evidence of prior uses which are not pertinent. Thus the Court of Appeals overrules the determination of the Board which was the basis of the award of priority to Daukus and which defined the characteristic of the patent in suit which distinguished it from the prior art patents considered by the Patent Office, and particularly the prior patent to Daukus. It does this notwithstanding the District Court concurred in the determination of the Board; notwithstanding also, as petitioners insist, the evidence of prior uses which was not presented to or considered by the tribunals of the Patent Office, showed extensive commercial practice transcending a mere technical prior use and nullifying patentable novelty in the supposed distinguishing characteristic, and amply supports the finding in all its aspects; and further notwithstanding that the patentee's own testimony shows that there was no substantial difference in critical aspect between the prior art commercial structures proved and those upon which he relied to establish priority of invention in the interference proceedings.¹⁸

The opinion not only failed to give effect to but does not even mention the prior Daukus patent which the Board regarded as the closest prior art patent and as limiting the claimed invention to the single feature that the cushion members are thinner or of less weight per unit area than the intermediate member. This omission was not remedied by the consideration accorded that patent in the memorandum denying a petition for rehearing in which it was called to the court's attention. Both opinion and memorandum, petitioners contend, indicate a misapprehension of the evidence, particularly in respect to what was old in the art and the nonessential character of the distinction be-

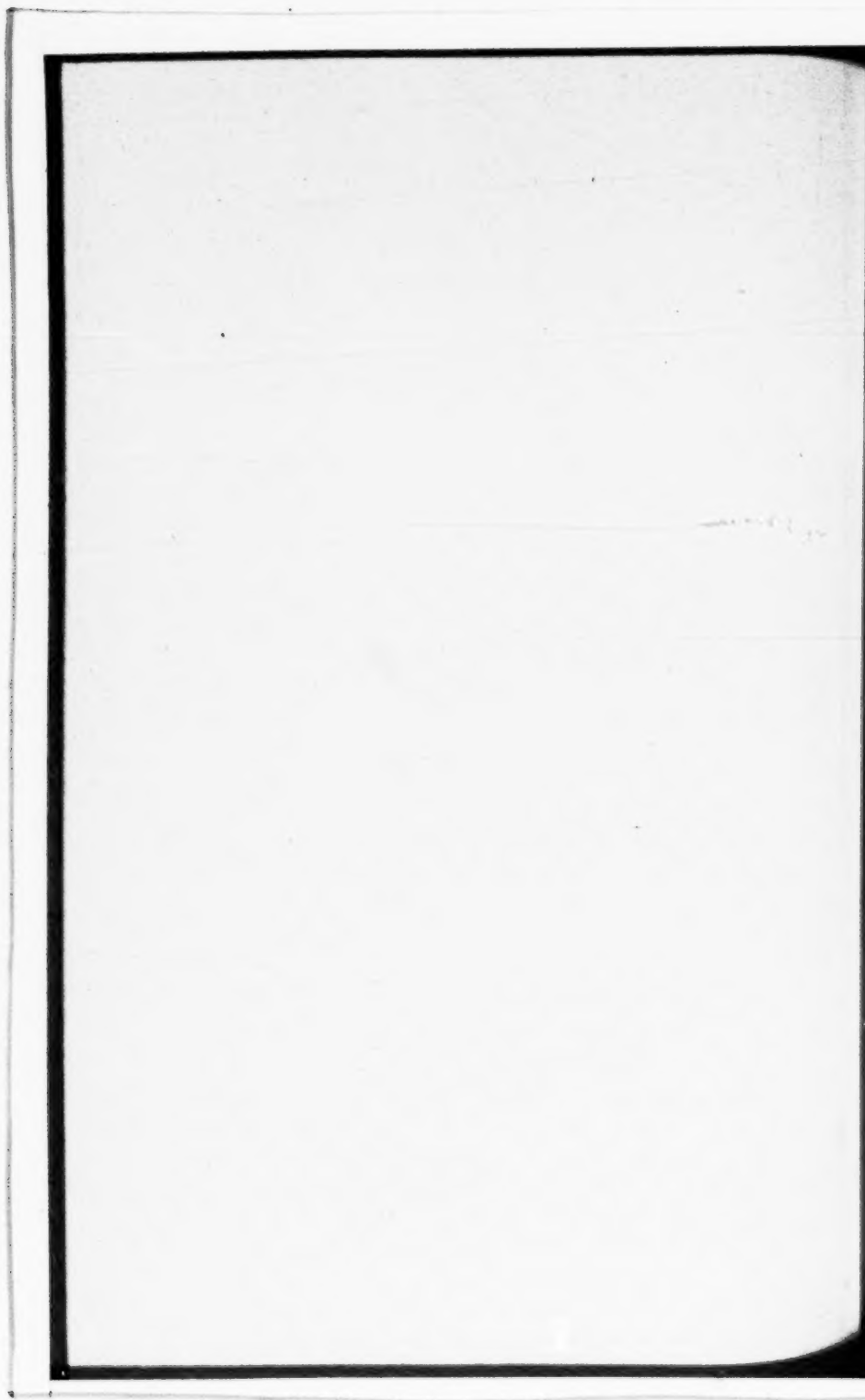
¹⁸ Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 24, 25, QQ 156, 157, 161, 162; p. 80, RXQ 605.

tween segmented cushion members which are integral parts of a unitary structure and similar members which are riveted to a common supporting member or intermediate plate, and a misapprehension of the limited character of what Daukus did as a basis for his claimed invention.

As the question of invention is a question of fact, as is the question of prior use, the jurisdiction of the Court of Appeals was limited to a determination merely of whether or not the District Court's finding was clearly erroneous; in other words, whether or not there was substantial evidence of record to support it.¹⁹

The testimony of the witnesses Nutt, Krueger, Dunning and Janes (R. 52-147) abundantly shows the manufacture of structures under the Ahlene and Reed patents during the year 1928 and subsequent years including cushion members of substantially less thickness than the intermediate members, as illustrated at III and IV in the chart at the end of this brief. The structures are admittedly (R. 79) shown in numerous exhibits including plaintiffs Exhibits AAA37, -38, -21, -23, -25. They were manufactured in large quantities. Indeed, the evidence transcends the mere establishment of prior uses and shows, as the District Court found, "a common practice". Plaintiffs' Exhibits AAA53-54, which are the original Borg-Warner sales records, show sales between June 1931 and Feb. 1933 running into millions. In this connection, it is to be remembered that Daukus established a date of invention by reduction to practice of defendants' Exhibit 2 in 1935. His admitted prior use of a similar structure in 1931 was not deemed to have been established by adequate proof.

¹⁹ Thomson Spot Welder Co. v. Ford Motor Co., 265 U. S. 445, 447; Sturtevant Co. v. Massachusetts Hair & Felt Co., (CCA1) 122 F (2) 900, 906; Webb v. Frisch (CCA7) Ill. F(2), 887, 888; Rule 52(a) F.R.C.P.



The statement of the Court of Appeals (R. 448) "that substantially the same construction covered by Ahlene and Reed, 1,889,698, was before the Patent Office, and was thoroughly considered at the time priority was awarded to Daukus ignores the fact that the cushion members of the commercial products made under those patents were substantially thinner than the intermediate member, a feature not described in those patents.

Petitioners submit that the prior Daukus patent coupled with the evidence of commercial practice under Ahlene Patent No. 1, 727,153 and Reed Patent No. 1,889,698 and the testimony of the patentee Daukus himself, not to mention other prior patents, afford ample basis for the finding of the District Court.

The Court of Appeals, in Sustaining the Validity of the Patent in Suit, Departed from the Principle Enunciated in Lincoln Engineering Co. v. Stewart Warner Corp., 303 U. S. 545, 549.

Stating that the finding of the District Court on the subject of invention "miscomprehends the purpose and the gist of the claimed invention," though admitting that the principal of lightening the peripheral weight of the clutch plate in order to reduce spinning momentum had been understood in the art since 1883, the court undertook to avoid the effect of that admission and the definitive decision of the Board of Interference Examiners by attributing to Daukus a new structural combination. The court said (R. 445, 446):

"While Daukus disclosed cushion elements thinner than the intermediate member or disc, this was only one element of the combination. He also substantially reduced the diameter of the intermediate member, making the cushion members project beyond it, thus lightening the weight at the peripheral region

of the mounting disc and reducing spinning inertia. This element, specifically described in the claims in issue, is new and was repeatedly emphasized by appellees' attorneys at the interference proceedings as constituting an important feature of the invention. . . . For the first time he secured the desired result of eliminating both spinning inertia and chatter by reducing the diameter of the mounting disc, employing thin cushions, and uniting desirable cushion characteristics in a new structural combination."

Not only were the cushion elements thinner than the intermediate member or disk in the commercial structures made under the Ahlene and Reed patents, but the diameter of the intermediate member in those structures was relatively less than in the Daukus structures. The latter feature, moreover, was plainly shown in the prior Daukus patent as evidenced by the drawing of that patent reproduced in the chart opposite.²³ Thus the statement by the Court of Appeals that this element is new is without support and, indeed, clearly refuted by the evidence of record and, as noted (p. 17) contrary to the decision of the Board. Indeed, neither Daukus nor his counsel have ever ventured to claim that that element was new. If statements of appellees' attorneys at the interference proceedings indicate the contrary, which petitioners contend they do not, it must be borne in mind that they were made with particular reference to the distinctive features of the Borglite plate, which are not found in the Daukus structures, namely, the employment of clock spring steel cushion members secured to an intermediate mounting member and without the backing of the integral plate employed in the compound cushion plate. The so-called "desirable cushion characteristics" attributed by the Court of Appeals to Daukus consisted merely of waving the cushion members circumferentially — an old and well-known expedient, as we have noted.

It is to be borne in mind that the Borg-Warner developments, which occurred largely at the plant of the subsidiary Borg and Beck in Chicago, were independent and without knowledge of the Daukus developments, which occurred in the vicinity of Detroit, Michigan.

Dates	Borg-Warner Developments	Daukus Developments
1927	Gamble Patent No. 1,652,006 issued on integral cushion plate.	
1928	Integral cushion plate, plaintiffs' Exhibit WW2, commercially produced.	
1929	Ahlene patent 1,727,153 issued on integral cushion plate with spring vibration dampeners and intermediate member.	
1930	Ahlene patent structure with cushion members thinner than intermediate member commercially produced.	Prior art Daukus patent 1,777,399 issued; no commercial use.
1931	Commercial production of integral cushion plate as described in Reed Patent No. 1,889,698 with cushion members thinner than intermediate member.	Installation in Cadillac car of plate shown in above Daukus patent; removal, modification to "same thing" as later Daukus Exhibit 2, reinstallation and return of car and use thereof by owner (admitted by Daukus but not corroborated).
1932	Reed patent 1,889,698 issued.	Continued use of Daukus plate in Cadillac car by its owner until he disposed of it.

CHART

Dates	Borg-Warner Developments	Daukus Developments
1935	Compound cushion plate commercially produced.	Reduction to practice of Daukus Exhibit 2 in Dodge car, as found by Board of Interference Examiners—continued for several years.
1937 March	Gamble conceived Borglite plate.	
May		Reduction to practice of Daukus Exhibit 5—used in truck for several years.
12 June	Gamble application filed	
Nov.	Borglite plate disclosed to Buick.	
1938 Jan.	Borglite plate disclosed to Oldsmobile.	
Feb.	Borglite plate disclosed to Chevrolet.	Goodwin approached Daukus.
April	Gamble British patent issued.	
May	First commercial production of Borglite plates, continued in increasing quantities thereafter; 221 Borglite plates shipped to Chevrolet; Gamble British Patent received by U. S. Patent Office.	
June	200 Borglite plates distributed to dealers and others for test; 2 Borglite plates shipped to Buick.	
July	1,410 Borglite plates shipped to Buick.	
Aug.	10,427 Borglite plates shipped to Buick.	
20 Aug.		Daukus executed his application.
26 Aug.		Daukus filed his application.



The further statement in the opinion of the Court of Appeals (R. 446) that "Daukus conceived of the possibility of forming his cushion spring members in a series of individually formed and attached parts, with the neck portions reduced in such manner as to allow complete flexibility in action" commingles the disclosure of his prior patent and the characteristics of the Borglite plate and attributes the result to Daukus, thus giving effect to the patent in suit as if it embraced the independent developments of others and stood in the place of the prior Daukus patent, contrary to the pronouncements of this court in *Atlantic Works v. Brady*, 107 U. S. 192, 27 L. Ed. 438, 441; *Railway Company v. Sayles*, 97 U. S. 554, 563.

Plainly there is no proper basis for the conclusion by the Court of Appeals that Daukus invented a new structural combination. All that he did is reflected in his Exhibits 2 and 5, which must be the measure of his claimed invention in view of the development and commercial production of the Borglite plate intervening the reduction to practice of those exhibits and the long delayed filing of the Daukus application, and is defined in the decision of the Board of Interference Examiners. As there defined the claimed invention consists merely in making "the cushion elements" "of less thickness or weight per unit area than the intermediate member." This means nothing more nor less than that it involved simply a modification of but one element or part of an old combination.

In sustaining the patentability of the claimed invention as a new structural combination the opinion runs counter to the patentee's own testimony²⁰ that the reduction to practice upon which priority of invention was awarded to him involved merely a modification of a single element of his prior patent.

²⁰ Daukus Interference Record, Plaintiffs' Exhibit AAA1, p. 13, Q. 46; p. 73, XQ. 539.

The case is on all fours with that of *Lincoln Engineering Company v. Stewart Warner Corp.*, 303 U. S. 545, where the Court said (p. 549):

“ . . . the improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in the combination.”

The Court of Appeals, in Arriving at its Conclusion that Daukus had invented a Patentably Novel Structural Combination, improperly considered “the rapid and widespread acceptance” of the Borglite plate and the Issuance of the Patent in suit Following an Interference Contest as Evidence of Invention and Strengthening the Presumption of Validity.

The sophistry in the reasoning of the Court of Appeals lies in imputing to Daukus the distinctive characteristics of the Borglite plate and its commercial success on the basis of an award of priority of invention made without consideration of commercial developments which were not reflected in the prior art patents considered by the Patent Office and which the Board of Interference Examiners was precluded from considering by the technical limitations of Patent Office procedure, and ignoring the circumstances and sequence of events preceding the preparation and filing of the Daukus application.

The Court also overlooked a consideration which it thought important in one of its own decisions cited in its opinion on another point,²¹ namely that the patent in suit is a paper patent and should be strictly construed.

The Opinion of the Court of Appeals runs Counter to the Doctrine of Paramount Publix Corp. v. American Tri-Ergon Corp., 294 U. S. 464.

Disregarding the sporadic character of the activities of the patentee, his long delay in filing his application, the se-

²¹ *Modern Products Supply Co. v. Drachenberg*, 152 F (2) 203, 206.

quence of intervening developments including the advent of the Borglite plate independently and without knowledge of anything that Daukus did, the earlier filing of the Gamble application, the lack of any commercial use of anything that Daukus did, and his admitted failure to do anything to improve his claimed invention during the long delay in filing his own application, the Court of Appeals largely predicates patentable novelty to Daukus on statements of counsel for Gamble made in the prosecution of his application. Indeed, the opinion reads more like a brief than an opinion. As this Court said in the case cited (p. 476):

"However inconsistent this early attempt to procure a patent may be with petitioner's present contention of its invalidity for want of invention, this Court has long recognized that such inconsistency affords no basis for an estoppel, nor precludes the court from relieving the alleged infringer and the public from the asserted monopoly when there is no invention."

The Judgment of the Court of Appeals, to the extent that it Adjudicates the Issue of Infringement and the Issue of Prior Public Use by the Patentee, involves an Application of the Statute defining its Jurisdiction and Rule 52(a) F.R.C.P. at Variance with Numerous Decisions of this Court and other Circuit Courts of Appeal.

While the Court of Appeals in the instant case apparently did not feel called upon to cite authority for its determination of the issue of infringement and the issue of prior ~~art~~^{use} by the patentee, notwithstanding the District Court made no finding thereon, it may have had in mind a statement of this Court in *Keller v. Potomac Company*, 261 U. S. 428, where this Court said (p. 444):

"In that procedure [equity], an appeal brings up the whole record and the appellate court is authorized to review the evidence and make such order or decree

as the court of first instance ought to have made, giving proper weight to the findings on disputed issues of fact which should be accorded to a tribunal which heard the witnesses."

But it is not believed that the expression "the appellate court is authorized to review the evidence and make such order or decree as a court of first instance should have made" was intended to authorize such a determination. On the contrary, it is thought that the expression was not intended to have any implication beyond the limits of the findings of the trial court. It appears to have been the practice of this Court under Rule 52 (a) as well as under Rule 70½ of the former Equity Rules, when the findings of fact of a District Court have been inadequate, to remand the case for further proceedings including requisite findings of fact. *Mayo v. Lakeland Highlands Canning Co.*, 309 U. S. 310; *Interstate Circuit v. U. S.*, 304 U. S. 55, 57; *Marconi v. Simon*, 246 U. S. 46, 57. The Circuit Courts of Appeal generally have done likewise. *Kelly v. Central Co.*, (C. C. A. 2) 85 F. (2d) 61, 63; *Edwards v. Holland Co.*, (C. C. A. 8) 75 F. (2d) 713, 715; *Parker v. St. Sure*, (C. C. A. 9) 53 F. (2d) 706, 709. Compare *Matton Oil Transfer Corp. v. The Dynamic*, (C. C. A. 2) 123 F. (2d) 999, 1000; *Smith v. Lykes Bros.-Ripley S. S. Co.*, (C. C. A. 5) 105 F. (2d) 604, cer. den. 308 U. S. 604; *The Plow City*, (C. C. A. 3) 122 F. (2d) 816, 819; applying a corresponding provision of the Admiralty Rules.

The question of infringement of a patent for an invention is a question of fact. *U. S. v. Esnault-Pelterie*, 303 U. S. 26, 29; *Stilz v. U. S.*, 269 U. S. 144, 147. *B. F. Sturtevant Co. v. Massachusetts Hair & Felt Co.*, (C. C. A. 1) 122 F. (2d) 900. So is the question of prior use by the patentee. A party litigant is entitled to the benefit of the application of the provisions of Rule 52 (a) F. R. C.

P. to the determination of such a question. District Courts not uncommonly pass the determination of such a question when adjudging a patent to be invalid. *Baker v. Dean*, (C. C. A. 9) 80 F. (2d) 658. *Ware v. Pratt & Whitney Aircraft Co.*, (C. C. A. 2) 103 F. (2d) 364; *Evr-Klean Seat Pad Co. v. Firestone Tire & Rubber Co.*, (C. C. A. 8) 118 F. (2d) 600. As the court said in the last cited case (p. 603):

"In a patent infringement suit, where invalidity of the patent and non-infringement are both set up as defenses, and the trial court dismisses the bill of complaint on the ground that the patent is invalid, without presuming to pass upon the issue of infringement, and neither party makes a request for a finding on that question, the decree must be regarded as being wholly without implication on the issue."

The Court of Appeals arrived at its determination that the Borglite plate infringes one or more of the asserted claims of the patent in suit by a confusingly tortuous path of reasoning. First, admitting that the District Court made no finding on the question of infringement, it asserted, notwithstanding the plain denial of the pleadings (R. 32), that "Appellees do not seriously deny infringement . . .". This assertion is supplemented by a distortion of something stated by appellees' counsel at the interference proceedings regarding the commercial success of the Borglite plate. The court then proceeds to quote a statement in appellee's brief in the Court of Appeals to the purported effect "that the Daukus patent is 'in its only novel aspects' identical with the Borglite plate". The inference, it is submitted, is unwarranted. What was said in appellees' brief, was directed to the unlawful enlargement of the description contained in the patent in suit beyond what Daukus did, as evidenced by his Exhibit 2 and directed to the capture by Daukus and Goodwin of the

Borglite plate. The statement in full, which appeared on page 16 of appellees' brief reads as follows:

"The Daukus patent in suit, No. 2,324,913, Exhibit AAA14, (Folder No. 1) is in its only novel aspects a direct copy of the prior 'Borglite' plate, so that there can be nothing in the Daukus patent in suit which might have a claim to novelty, as all of those features were developed by Gamble and sold before the filing date of the Daukus patent in suit."

Obviously there is no waiver or modification of the issue of infringement implicit in that statement warranting a circumvention of a determination of that issue by the District Court and the application of Rule 52 (a) thereto.

The statement of the Court of Appeals that "The Daukus plate used experimentally by the inventor, in its substantial features is the same as the Borglite plate", ignores substantial differences which have been noted and are apparent upon inspection of the two plates. It also disregards the fact that the Borglite plate is an outstanding commercial success, while the Daukus plate has never been produced commercially.

The Court of Appeals, moreover, failed to apply any of the nine claims asserted to the Borglite plate. The enlargement of the claims of the patent in suit for the purpose of embracing the Borglite plate is illustrated by the presence in claims 14 and 15, which are included among the asserted claims, of the expression "sheet metal" as definitive of the cushions or cushion members. This expression is clearly descriptive of the cushioning material urged in the Borglite plate, but is not descriptive of the material used in the only structures made by Daukus, namely, his Exhibits 2 and 5, for Daukus admitted on cross-examination that he had never made a clutch plate of sheet metal.²²

Petitioners submit that the action of the Court of Appeals in determining the issue of infringement was un-

²² Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 77, 78, xqq. 575-584.

warranted, improper, and incompatible with the decisions cited and should be reviewed by this Court; likewise, in the case of the issue of prior public use by the patentee, which also is an issue of fact. *Thomson Spot Welder Co. v. Ford Motor Co.*, 265 U. S. 445, 447; *Sturtevant Co. v. Massachusetts Hair & Felt Co.*, *supra*; *Webb v. Frisch*, *supra*.

The Court of Appeals in Determining that the Patent in suit is not Invalidated by any Public Use on the part of the Patentee Prior to the Two Year Period before his Application not only Exceeded its Authority but Departed from Applicable Principles Established by Numerous Decisions of this Court.

Not only are the conclusions of fact stated in the opinion of the Court of Appeals without basis in the evidence, but the evidence precisely fits the requirements of proof of prior public use stated in *Egbert v. Lippmann*, 104 U. S. 333, where the Court said (336):

“If an inventor, having made his device, gives or sells it to another, to be used by the donee or vendee without limitation or restriction, or injunction of secrecy, and it is so used, such use is public, within the meaning of the statute, even though the use and knowledge of the use, may be confined to one person”.

This language was quoted in *Root v. Third Avenue R. Co.*, 146 U. S. 210, 212, where the Court sustained a defense of prior public use by the patentee.

The patentee Daukus, testifying in the interference proceedings in the Patent Office, in an attempt to establish a reduction to practice of his claimed invention, which failed of its purpose because his testimony was not corroborated, said that he had installed in another's Cadillac car in 1931, a clutch plate which had been made according to the disclosure of his earlier patent, but found it to be unsatisfactory because the gears clashed and chattered; that it

was then removed, modified chiefly by grinding down the cushion members to make them thinner and reinstalled a week later in the same Cadillac car; that after experimenting with it for three or four weeks, the car was returned to the owner, who thereafter expressed satisfaction with the clutch and subsequently disposed of the car after driving it for six or eight months. This plate, which was not produced, Daukus said was identical with—"just as good", "the same thing"—as his Exhibit 2, upon which he also relied and which was the basis of the award of priority of invention to him by the Board of Interference Examiners (Daukus Interference Record, Plaintiff's Exhibit AAA1, pp. 12,14, qq. 42-55; pp. 68-74, xqq. 490-539, 545-547). This testimony must stand, beyond question, as an admission against interest notwithstanding its failure to establish a reduction to practice for want of corroboration.

No restriction upon the use of the car or any injunction of secrecy upon its owner as to the clutch structure is in any way indicated in the testimony of the patentee. As the Court said in *Root v. Third Avenue R Co.*, 146 U. S. 210, 225:

"He did nothing and said nothing which indicated that he was completing the invention under his own control."

The use of the Cadillac car by its owner with the Daukus clutch installed in it appears to have been the normal use of an automobile in every day life. Such use plainly conforms to the quoted language of the Court in *Egbert v. Lippmann*. To say that the use and subsequent disposal of the Cadillac car were without the consent of the patentee, as does the Court of Appeals, runs counter to reality, for consent was implicit in the return of the car to the owner when the repair job was completed.

To the extent that the determination of the Court of Appeals is sustained by the decisions in the cases cited in its opinion—and they do not appear to support it—there is a conflict with the pronouncement of this Court in *Egbert v. Lippmann*, which should be clarified.

It is submitted that *Elizabeth v. Pavment Company*, 97 U. S. 126 does not support the position taken by the Court of Appeals. There, the use was under the control of the inventor throughout its duration and was entirely experimental. Here, if the use were experimental during the period of three or four weeks while the Cadillac car was in the custody of the patentee, it ceased to be so when the car was returned, without restriction, to its owner and he resumed use of it in the normal way and subsequently traded it for another car (Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 13, 14 qq. 43-52, p. 68, xqq. 490, 491), for it then passed out of Daukus control and into the public domain.

Whatever statements in *Smith & Griggs Mfg. Co. v. Sprague* may seem to support the position of the Court of Appeals are but *obiter dicta*, for the Court sustained the defense of prior public use as it was of the opinion (p. 266) that the proof fell "far short of establishing that the main purpose in view, the use of the machine by the patentee, prior to his application, was to perfect its operation." And so in the instant case, the use by the owner of the Cadillac car had nothing to do with any improvement or perfection of the clutch plate. Indeed, there is nothing to indicate that what Daukus did was anything more than an ordinary repair job or that he had at the time any intention of applying for a patent on it. The same may be said of *Jenner v. Bowen* (CCA6) 139 Fed. 556. Indeed, in that case the Court relied upon the very language of *Egbert v. Lippmann* which we have quoted. In *Austin Machinery Co. v. Buckeye*

Co. (CCA6) 13 F(2) 697, the use was clearly experimental and under the control of the inventor. In *Reo Motor Car Co. v. Gear Co.* (CCA6) 42 F(2) 965, there was no showing of a use of the completed invention. Here the clutch plate installed in the Cadillac car admittedly was "perfect", "the same thing" as Daukus Exhibit 2.²³

The Writ should Issue According to the Precedent Established in *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47, 50; 304 U. S. 587.

The probable invalidity of the patent in suit is clearly indicated.

The concentration of the automotive industry in the Sixth Circuit, which was recognized in the case cited still continues, as shown in the following summary of data published on March 15, 1945, in "Automotive and Aviation Industries", a recognized trade paper, showing new passenger car registrations for the twelve year period including the year 1931 and the first three months of the year 1942.

Manufacturers Within The Sixth Circuit		Manufacturers Beyond The Sixth Circuit	
General Motors	12,061,184	Nash	462,810
Chrysler	6,454,053	Studebaker	691,199
Ford	6,347,002	Austin	10,538
Continental	4,263	Miscellaneous	113,475
Graham	111,669		
Hudson	722,458		1,278,022
Hupmobile	53,163		
Packard	502,044		
Reo	25,149		
Willys	245,667		
Total	26,526,652		

²³ Daukus Interference Record, Plaintiff's Exhibit AAA1 pp. 73, 74, XQ 538, 539, 545.

This publication is called to the attention of the Court in accordance with precedent.²⁴

The importance of a final determination of the question of validity of the patent in suit is shown by the sales of the accused Borglite plate which are made to practically all of the larger manufacturers of automobiles and run into millions (R. 89) qq. 246-248; R. 73, 74, qq. 159-161).

It requires little exercise of the imagination to perceive that in the circumstances presented the owners of the patent will not venture or have to venture beyond the Sixth Circuit to enforce its claims against practically all infringers, actual or potential. In view of their residence in the Sixth Circuit, no test of the validity of the patent could be made by suit under the Declaratory Judgment Act, except in that circuit. There is, therefore, no real likelihood that any occasion will arise which would present a conflict of decisions of different circuits courts of appeal affording a ground for the exercise of the jurisdiction of this Court. Unless the petition now presented be granted, an unconscionable domination of a large part of the automotive industry by a patent of extremely doubtful validity will stand established.

For the reasons stated the grant of the petition is requested.

Respectfully submitted,

MAX W. ZABEL,

EDWARD C. GRITZBAUGH,

BENTON BAKER,

Counsel for Petitioners.

²⁴ Cases include *Brinkerhoff-Faris Co. v. Hill*, 280 U. S. 550, 281 U. S. 673; *Olmstead v. United States*, 276 U. S. 609, 277 U. S. 438; *St. Louis Union Trust Co. v. Mellon*, 231 U. S. 648, 241 U. S. 657, 242 U. S. 666; *Helvering v. Northern Coal Co.*, 290 U. S. 59; *Sanitary Co. v. Winters*, 278 U. S. 587, 280 U. S. 30, 34; *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464. See also "Automotive Industry" Feb. 26, 1938; "Automotive Daily News", Detroit, Mich., March 2, 1938, Vol. 13, No. 2489.

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IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

Petitioners,

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,
Respondents.

PETITIONERS' REPLY BRIEF.

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

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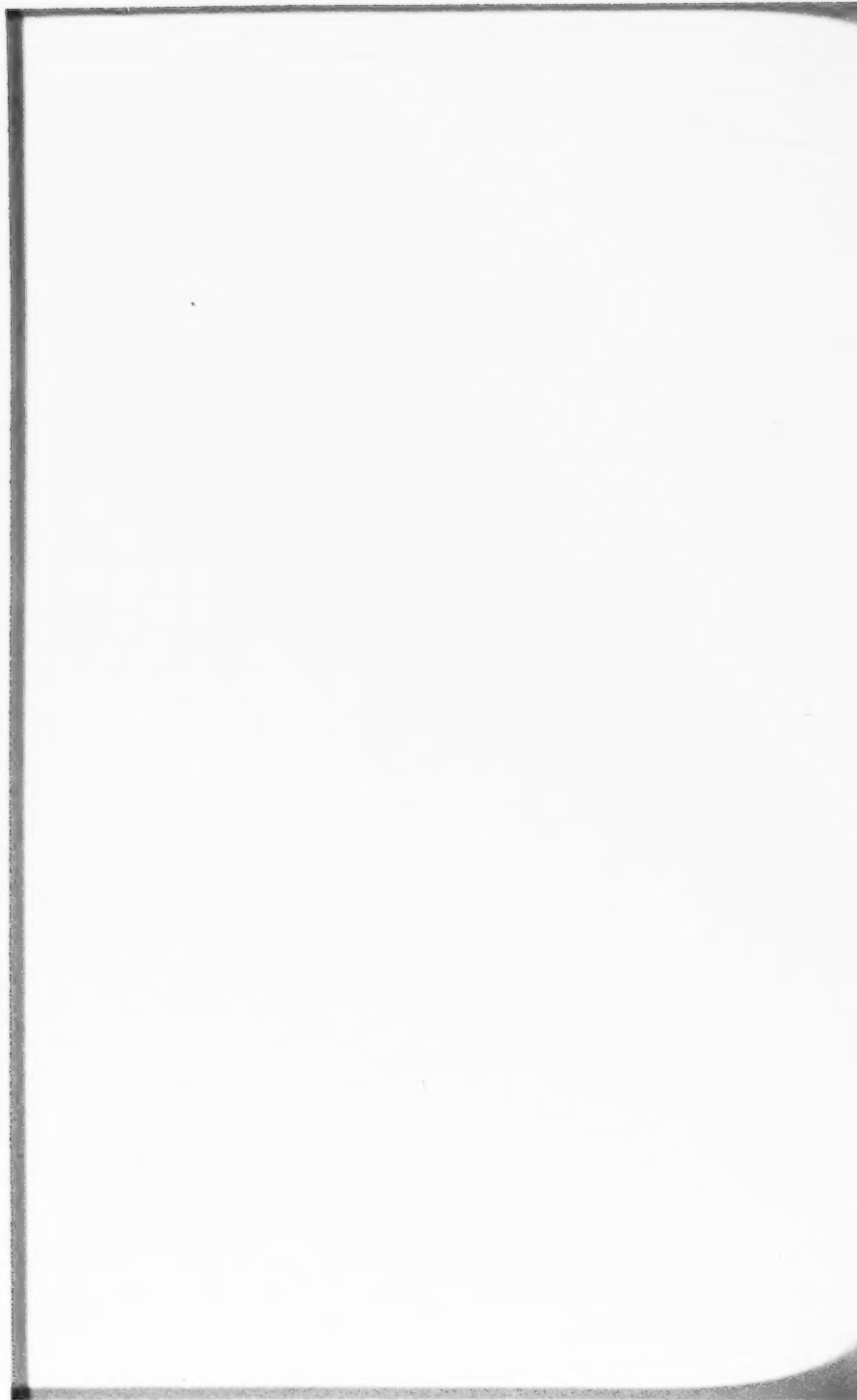
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PETITIONERS' REPLY BRIEF.

Passing the undocumented accusations, bare denials, and generalities of respondents' brief, petitioners would correct certain impressions which portions of it might leave with the Court.

**Concentration of Industry and Justification for
Granting Petition.**

Respondents list numerous companies said to be manufacturers of automotive vehicles, clutches, and clutch plates, and domiciled elsewhere than in the Sixth Circuit, but make no quantitative showing of their production, which in fact is comparatively small. Nor do they show

that their production would include a clutch plate of the character involved in this action. They have, moreover, in no wise negatived the showing in the petition and supporting brief that there is little likelihood of future litigation involving the patent in suit beyond the Sixth Circuit.

Respondents also list several cases involving patents relating to subject matter affecting the automotive industry in which the Court declined to take jurisdiction. Obviously they are not in point, for the patents involved admittedly were held invalid and no question of public concern over further masquerading of an invalid patent as a valid one remained as there does in the instant case. In this connection it may be noted that in two additional cases arising since the *Schriber-Schroth* case and in which the patents involved were held valid in the lower courts, the Court granted the writ for reasons similar to that indicated in the *Schriber-Schroth* case. These cases are *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U. S. 126, 128; s. c. 314 U. S. 705, and *Muncie Gear Works v. Outboard, Marine & Mfg. Co.*, 315 U. S. 759, 766; s. c. 314 U. S. 594.

The instant case is precisely analogous to the *Schriber-Schroth* case. In both, the patented subject matter is installed by the automobile manufacturer in its product at its factory and becomes a part of the finished product. The clutch plate here involved is a critical part and as essential to that finished product as the piston involved in the *Schriber-Schroth* case. An injunction here would stop production just as effectively as in that case. As the manufacture of automobiles is largely concentrated in the Sixth Circuit, practically there would be no occasion for litigation of the patent in suit beyond that circuit if the judgment of the Court of Appeals were allowed to become final.

Respondents' statements to the contrary notwithstanding, petitioners submit that the questions presented in their petition and supporting brief are both real and important. Certainly it would seem to be a matter of public concern whether in the circumstances presented, particularly in the face of a clear conflict as to its validity, between the District Court and the Court of Appeals, a patent of so devious history and no commercial background should be permitted to stand established as the basis of a levy of tribute on the automotive industry for seventeen years.

Respondents' attempt to defeat the petition by stating a willingness to grant licenses on allegedly reasonable terms is without force, because any licensing basis for an invalid patent is intolerable. And in this case a royalty of even a few cents on a clutch plate quite probably would involve a realization of millions of dollars.

The Earlier Daukus Patent and the Claims of the Patent in Suit.

The decision of the Board of Interference Examiners and the findings of the District Court as to the distinction between the supposed invention of the patent in suit and the disclosure of the earlier Daukus patent are sufficiently discussed in the petition and supporting brief (pp. 2, 3, 5, 13, 17, 20-24), but respondents' comments on the claims of the patent in suit in relation to the earlier Daukus patent call for some consideration of them.

It is to be borne in mind that the only issues now in the case in view of petitioners' failure to appeal from the judgment of the District Court dismissing their original Bill of Complaint under R. S. 4915 are the issues as to validity and infringement of the patent in suit. That petitioners tried to get a patent with corresponding claims is of no importance in determining those issues.

The patent in suit contains a multiplicity of twenty-three claims directed to a simple device. Of these, nine, namely, 4, 6, 13, 14, 15, 17, 19, 20, and 23 are asserted in this suit. Claim 4 and seven of the claims which are not asserted, namely, 1, 2, 7, 8, 9, 18, and 21 are distinguishable from the disclosure of the prior Dankus Patent No. 1,777,339 only in that they contain a limitation directed to a lesser thickness or weight per unit area of cushion members in relation to an intermediate plate or mounting member. It is this feature alone that, the Board of Interference Examiners held, distinguished the interference counts from the prior art considered by it. And these counts included other more limited claims among which was claim 13 erroneously cited by the Court of Appeals as typical.

It is not without significance that respondents withheld from their counterclaim the broader claims of the patent. Claim 1 is perhaps the broadest one. This claim,¹ which respondents did not venture to assert in their counterclaim, clearly embraces the commercial structures made in large quantities by Borg-Warner under Ahlene Patent No. 1,727,153 and Reed Patent No. 1,889,698 several years before the earliest date of supposed invention available to

¹Claim 1 reads:

In a clutch plate construction, a hub, an intermediate member non-integral with said hub and secured thereto, a cushion member of thinner material than said intermediate member and carried thereby, said cushion member extending outwardly from said intermediate member and at its outer portion subtending a greater arcuate angle than is subtended by a portion of said cushion member between said intermediate member and said outer portion of said cushion member.

Dankus (see Figures III and IV of Chart at end of Brief in Support of Petition).²

We need not quote their language to make it apparent that claim 4 and the other claims withheld from suit differ from claim 1 only in language or unimportant details, that is, details which it is thought do not affect their patentability.

The asserted claims differ from claim 1 in substance only in that they contain limitations directed to features including structurally independent cushion members and a waving or distortion of them in an axial or circumferential direction as distinguished from a radial direction. The struc-

²The hub is brown portion indicated by the numeral 1.

The intermediate member, in the case of the Ahlene structure, comprises the two red members 11a, 11b and the filler member 25; in the case of the Reed structure, the red member 11 is 0.109 inch thick. Each is non-integral with the hub and secured thereto by rivets 4a, 4, shown in green.

The cushion members 8 shown in blue are thinner than the intermediate members; in the case of the Ahlene structure the cushion members are 0.0625 inch thick, the intermediate members 11a, 11b each 0.0625 inch thick, and the filler member 25—0.1406 inch thick; in the case of the Reed structure the cushion members are 0.056 inch thick; in each structure the cushion members 8 are a part of an integral plate which is carried by the intermediate member through a spring vibration damper, including the springs 12 and in the case of the Reed structure a supplemental plate 13; the cushion members extend outwardly from the intermediate members and their outer portion subtends a greater arcuate angle than is subtended by a neck portion between the intermediate member and the outer portion of the cushion member.

turally independent feature was not only present in the earlier Daukus patent, but as pointed out in the petition (p. 5) and supporting brief (under Figure II of chart opposite p. 22), admittedly unimportant. The waving or distortion feature was present in the Borg-Warner commercial structures beginning in 1931 (R. 137, XQQ 83-88: Plaintiff's Exhibits AAA 21,-23). That there was no room for patentable novelty or invention when Daukus entered the field in adding either or both of these features to the unpatentable structure defined in claim 1 seems evident. The outstanding commercial success of the Borglite plate, as noted, in the supporting brief, is due to qualities not present in anything that Daukus did.

It is submitted that the invalidity of the patent in suit in its entirety is sufficiently indicated to warrant the issuance of the writ.

The Issues as to Prior Use.

Contrary to respondents' statements (p. 6 of their brief) there are and have been throughout this action, two issues of prior use; one, based on the allegations of Item 3, including sub-divisions (a) and (b) of the Supplemental Bill of Complaint (R. 24, 25); the other, based on the allegations of sub-divisions (d) and (e) of the same paragraph of the same pleading (R. 26)

The evidence on the first issue relates to commercial structures manufactured in large quantities by Borg-Warner. These are discussed on pages 22 and 23 and illustrated in Figures III and IV of the chart at the end of the supporting brief. The evidence on the other issue consists of Daukus' own admissions and is considered on pages 14, 15, and 31-34 of the supporting brief.

Respondents' criticism of the refusal of an offer to stipulate is explained in the next-to-the-last paragraph of page 81 of the Record. It was considered vital to petitioners' case to show beyond question that in the commercial structures made under the Ahlene and the Reed patents the cushion members were of less thickness and less weight per unit area than the intermediate members, a feature as to which the specifications of the patents were silent and as to which respondents would not stipulate. As we have stated, it was that feature alone which was considered by the Board of Interference Examiners as having patentable significance.

The District Court's Finding of Invalidity.

The record and the transcript of oral argument before the District Court belie respondents' criticism of the District Court's findings and consideration of the case.³

The argument in behalf of respondents brings into relief the question of what proof is required to negative the patentability of a supposed invention. It may be conceded that in a proper case, as the Court of Appeals said (R. 447):

"The public use which invalidates an invention under Sec. 31, 35 USC is a public use of the very invention patented."

³The transcript of the oral argument, which lasted three days, indicates a very clear understanding by the District Court of the issues of the case, the evidence and its implications, and the applicable principles of law. It also includes an admission by respondents' counsel of the invalidity of the broader claims of the patent in suit in view of the evidence presented in the case and a recognition of the necessity of a disclaimer as to them. See Excerpts from Transcript in Appendix to this brief, *infra* p. 11.

But, to use the words of Mr. Justice Blackburn in *Harwood v. Great Northern Railway Co.*, 11 H. L. C. 654, 667,

“in every case arises a question of fact, whether the contrivance before in use was so similar to that which the patentee claims, that there is no invention in the differences, if any, between the old contrivance and that for which the patentee claims a monopoly; . . .”.

See *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84, 90, where the Court, speaking through Mr. Justice Douglas, said:

“Since *Hotchkiss v. Greenwood*, 11 How. (U. S.) 248, 267, 13 L. Ed. 683, 691, decided in 1851, it has been recognized that if an improvement is to obtain the privileged position of a patent more ingenuity must be involved than the work of a mechanic skilled in the art.”

And this Court has long sanctioned the taking of judicial notice of matters of common knowledge and things in common use. *Werk v. Parker*, 249 U. S. 130, 133; *Brown v. Piper*, 91 U. S. 37, 44; *Terhune v. Phillips*, 99 U. S. 592; *King v. Gallun*, 109 U. S. 99; *Phillips v. Detroit*, 111 U. S. 604.

Where, as in this case, the evidence of prior uses which was not presented to or considered by the tribunals of the Patent Office showed extensive commercial practice transcending mere technical prior use and amounting to common knowledge, it would seem to be inane to ignore the implications of such evidence and exclude it from consideration because it failed, when considered in relation to the more limited claims of the patent in suit, to conform to the strict requirements of the principle stated by the Court of Appeals. If, as the Court, speaking through Mr. Justice Jackson, said in *Sinclair and Carroll Co. v. Interchemical Corp.*, 325 U. S. 327, 330.

“The primary purpose of our patent system is not

reward of the individual but the advancement of the arts and sciences. Its inducement is directed to the disclosure of advances in knowledge which will be beneficial to society; it is not a certificate of merit, but an incentive to disclosure."

there must be room for inference from admitted or proven facts amounting to common practice as to what one skilled in the art would know and whether or not in the words of Mr. Justice Blackburn,

"There is no invention in the differences, if any, between the old contrivance and that for which the patentee claims a monopoly".

It is submitted that the Court of Appeals misapplied the principle of strict conformity of proof of prior use in the instant case and exceeded its jurisdiction in setting aside the finding of the District Court.

Petitioners again request that the writ issue.

Respectfully submitted.

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

APPENDIX.

Excerpts from Transcript of Oral Argument before District Court, Tuesday, September 26, 1944.

(p. 55) The Court: Mr. Greist, what Mr. Zabel was just saying to me is that if your patent is sustained, the device that I have here—this is Exhibit AAA-30—and this reads right on your patent, that Borg-Warner is manufacturing a device that they manufactured millions of back in the late 20's, they would now be infringing your patent, and that, in effect, you could start collecting royalties on this old device he stated they manufactured back in 1928.

...

(p. 56) Mr. Greist: Anything that would, coming later, be an infringement, would, if it came before, be an anticipation. And I agree with that 100 per cent. . . .

(p. 58) (Mr. Greist continuing) Now, I say this, that while our patent contains a number of claims, we are relying only on certain of them. I am not prepared to say that a few of the claims of this Daukus patent clearly define what we now find to be the patentable invention over the prior art. We could not have disclaimed before, because we did not know.

(p. 81 and 82) The Court: . . . Where does it leave you if you were in a position where you had to concede that some of your claims in the Daukus patent were too broad?

Mr. Greist: We are not required to disclaim until such time as we know they are too broad or until such time as the Court has told us so. We can disclaim within 30 days after you say, for instance, that claims 1 and 2 are too

broad. We could disclaim right now if we can thereby reach an issue.

I say this, that our claims which do not bring in the fact that our cushion members are both distorted axially and are structurally independent members between the facings, if the claims do not bring that in, I do not believe they define invention. . . .

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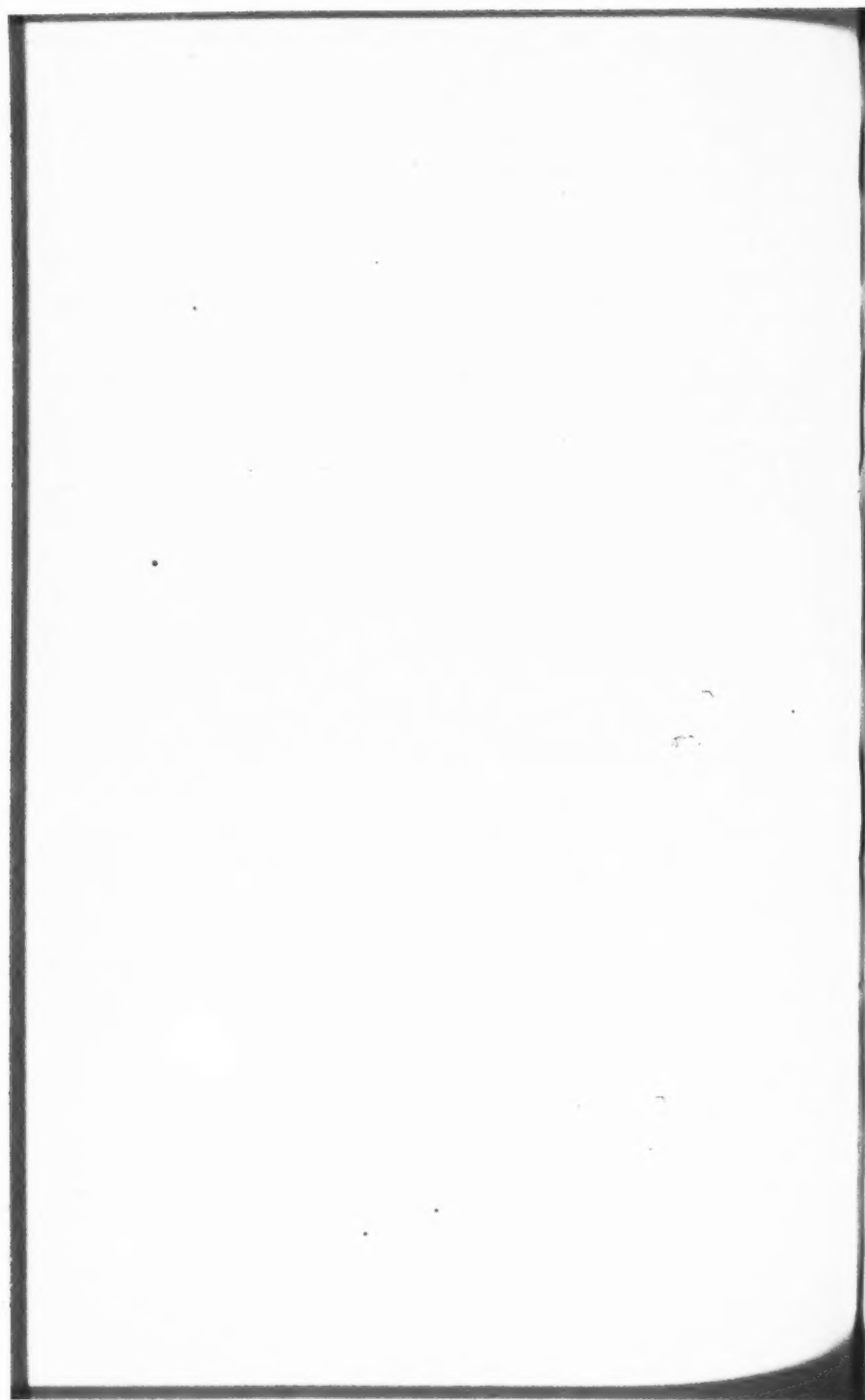
BORG-WARNER CORPORATION AND DAVID
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VS.

GEORGE I. GOODWIN AND JOHN F. DAUKUS,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETI-
TION FOR WRIT OF CERTIORARI.

✓ **RAYMOND L. GREIST,**
Counsel for Respondents.



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**RESPONDENTS' BRIEF IN OPPOSITION TO PETI-
TION FOR WRIT OF CERTIORARI.**

Petitioners base their request for the issuance of a writ of certiorari in this case on the assumption that it is the policy of this Court to take up for review decisions in patent infringement suits favorable to the patents involved, whenever, irrespective of the thoroughness with which all matters in dispute may have been considered and decide by the Court of Appeals, there is a semblance of authority for contending that the industry primarily affected by the decision is concentrated in the Circuit

served by said Court. That assumption is clearly erroneous (see Appendix, Part IV).

No Real Concentration of Industry Is Involved.

The patent here in suit relates to a clutch plate for use in all kinds of automobiles, including limousines, commercial delivery cars, trucks and buses. The infringement complained of and established, was the manufacture and sale of clutch plates of one particular construction.

There is no concentration of the clutch plate industry in the Sixth Circuit. Petitioners do not in so many words say that there is, but their statements regarding the "automobile industry" appearing on pages 7 and 8 of the Petition are intended to give that impression.

Petitioners contend that because the "automobile industry" is "concentrated primarily" in the Sixth Circuit this Court should take this case up on certiorari, review all the evidence and then reverse the fully and well considered decision of the Court of Appeals.

In the first place, the clutch plate industry, to which the patent in suit more particularly relates, is *not* the automobile industry and it is *not* concentrated in the Sixth Circuit (See Appendix, Part II).

While the automobile industry, as distinguished from the more highly specialized clutch plate industry originated in the Sixth Circuit and up to several years ago was rather closely concentrated in that Circuit, that situation has in more recent years changed materially and is continuing to change even more. Present day automobile manufacturers (producers of not only pleasure cars but limousines, commercial delivery cars, trucks and buses) are now located for the most part *outside* the Sixth Cir-

cuit (See Appendix, Part I), while clutch plate manufacturers, the concerns most likely to be interested initially in employing the invention of the patent in suit, are located *predominantly* outside the Sixth Circuit and do business everywhere in the United States, not only with the widely spread out automobile manufacturers but with thousands of dealers, garages and repair shops as well (See Appendix, Part III).

There Is Nothing About the Present Case Which Would Justify this Court in Granting Certiorari.

This is an ordinary patent case. The decision of the Court of Appeals of the Sixth Circuit is not in conflict with any decision of any other Court of Appeals as the patent has not been involved in any other litigation. No new questions of patent law are presented. The Court of Appeals of the Sixth Circuit has not interpreted any patent law in a manner at variance with any prior decisions or doctrines of this Court, but in its consideration of the case has instead carefully followed the guidance of this Court. The public interest involved is no more than that which is necessarily present in every patent case. The patent is not one of doubtful validity. The Court of Appeals found the invention "clearly patentable" (R. 444).

Petitioners have had their day in Court. The issues which they are now attempting to have re-adjudicated, upon the contention of an alleged concentration of industry, are typical of every patent case and they are the same issues which received the fullest consideration by the Court of Appeals.

The decision rendered by the Court of Appeals involved an obviously thorough and painstaking review of all the evidence and a sound application of the law on every con-

tested issue in complete accordance with past decisions and doctrines of this Court (R. 439 to 495, inclusive). In an ordinary patent case such as this, the decision of a Circuit Court of Appeals should be final.

Petitioners raise a number of questions which they attempt to dignify by making extravagant and wholly unsupported statements regarding the evidence in the case. In final analysis petitioners' grievance is their failure to have prevailed.

Decisions in all patent cases naturally involve the application of important patent laws, in the light of the interpretation given those laws by this Court, and a good proportion of all patent cases involve subject matter which on one theory or another can be said to pertain to some particular industry. Since most industries are to an extent concentrated more in one section of the country than another, due ordinarily to geographic conditions, proximity of raw materials or markets, it follows if petitioners' contentions here are correct that this Court to do equal justice to all would be obliged to take upon itself the work of a court of review in most patent cases. Certainly that is not either the intention or the policy of this Court.

The Schriber-Schroth case, upon which petitioners place such great emphasis, not only involved a concentration of industry but involved *on its face* a new question of patent law respecting the right of an applicant to claim something in his patent which he did not originally disclose in his application. No such question is involved here.

The Earlier Daukus Patent Was Exhaustively Considered and Rejected as Not Disclosing the Invention Here Involved.

The Patent Office Examiners during the prosecution of the Daukus and Gamble applications thoroughly went into the question of whether or not the earlier Daukus patent contained any teaching of the invention of the Daukus patent in suit. After full consideration they found that it did not.

Later, after the interference was declared between the Daukus and Gamble applications, the question of patentability was reviewed and fully explored upon motions to dissolve and motions to amend brought by both parties before the Examiner of Interferences, and in connection with those motions the earlier Daukus patent and certain other prior art patents were again considered. As a result of those motions the issue of the interference was amended by cancelling certain claims (upon Daukus' motion) and by adding certain other claims (upon Gamble's motion).

The claims which thereafter constituted the re-formed issue were the *same* claims with respect to which priority of invention was thereafter determined and the *same* claims which have since been sustained by the Court of Appeals. In other words, the claims which the Court of Appeals found valid and infringed are not only the same claims which were considered at such great length before the Patent Office in both *ex parte* and *inter parte* proceedings but are in part the very claims which Borg-Warner's *own* attorneys drafted and moved to have included in the Interference issue.

**The Only Prior Art Defense Ever Seriously Urged by
Borg-Warner Was Its Own Integral Cushion Plate.**

The prior use which Borg-Warner alleged and primarily relied on, first before the District Court and later before the Court of Appeals, was not the prior use which Borg-Warner now refers to in its Petition, but rather Borg-Warner's old integral cushion plate which for ten years was probably the most widely sold plate in the industry.

All of Borg-Warner's "new evidence" before the District Court was concerned *exclusively* with proving the existence of the old integral cushion plate, which plate was well known to every car manufacturer and garage repair man in the country. We offered to stipulate all such evidence at the outset (R. 77, 78, 80, 81), but Borg-Warner refused our offer for no other reason than to be able to present a *voluminous* record to the District Judge in the hope of confusing him—which they succeeded in doing, as evidenced by the indefiniteness of the only Finding of Fact on the subject, namely, Finding No. 11. The District Court failed to appreciate the fact that Borg-Warner's mass of proofs were concerned with nothing more pertinent than its own old integral cushion plate, which type of plate is devoid of any similarity to the plate of the patent in suit and was fully considered by the Patent Office on the basis of previously issued patents.

**The District Court's Finding on the Question of Validity
Was Nothing More Than a Brief General Conclusion
Unsupported by Any Particular Fact or Facts.**

The findings of fact made by the District Court were little more than general conclusions of law—and this is particularly true of the only finding which the Court of Appeals reversed, namely, Finding No. 11 (R. 37). That finding did not set forth any specific fact or facts capable of being identified as the basis for the general conclusion stated therein. It therefore did not give the Court of Appeals anything from which that Court could determine without studying the entire record whether the conclusion was correct or erroneous. As a result the Court of Appeals was compelled to and did painstakingly examine into all of the evidence. The finding in question was *clearly erroneous* and the Court of Appeals so held.

The District Court could hardly have made a full examination of the evidence, or have comprehended the nature of the integral cushion type plate to which all of the evidence (with the exception of the interference record) was exclusively directed, otherwise it is inconceivable how it could have reached the vague general conclusion which it stated in Finding No. 11. No witnesses testified before the Court. The new evidence was all by way of depositions, and concerned only the manufacture and sale by Borg-Warner of its own integral cushion type plate. The reading of the depositions was dispensed with by the District Court at the trial as unnecessary.

There Is No Unusual Public Interest Involved.

"Public Interest" is a poor excuse for Borg-Warner Corporation now to urge.

The Daukus patent in suit covers a clutch plate of but one particular construction. There are any number of other clutch plate constructions which others can use and are using, for no reason other than that they prefer them.

Clutch plates coming under the Daukus patent represent but a small fraction of the plates which at present are being supplied for use. Even Borg-Warner's production of clutch plates, which amounts to several million plates per year of all types, for the most part consists of non-infringing types.

Commencing with its filing of the original complaint in this case (see prayer of complaint, R. 8) and continuing in a hedging manner throughout the entire proceeding before the District Court, Borg-Warner used every means at its command to get the decision of the Patent Office Board of Interference Examiners reversed, not on the question of patentability, but on the question of priority of invention, in an attempt to get a patent issued to itself on the Gamble application, for the same invention, and with the same claims awarded to Daukus.

Borg-Warner professes to be, and undoubtedly through its several subsidiaries is, the largest manufacturer of clutch plates in the world. Over a period of many years Borg-Warner has obtained scores of patents on trivial clutch plate details, predicated on every conceivable variation of the slightest idea, solely for its own exclusive benefit, whereby to continue to pre-empt the field against all others. While none of those patents have ever been favor-

ably adjudicated, their number alone has served to deter competition.

Now an individual has finally succeeded in inventing what even Borg-Warner (prior to the decision of the Court of Appeals) conceded to be the most outstanding invention in clutch plates in more than a decade (Plaintiffs' Exhibit AAA8, commencing on page 31). Borg-Warner tried to get a patent on the same invention for itself. Failing to prevail before the Patent Office, it instituted an action in the District Court at Detroit under R. S. 4915 (R. 9, see prayer 7(a)). Finally losing before the Court of Appeals it brings this petition crying "concentration of industry" and deliberately misrepresenting certain of the facts upon which the thorough and well considered decision of the Court of Appeals was based.

The Patent in Suit Is and Has Been Available on Reasonable Terms to Anyone Wishing to Use It.

Respondents recognized from the outset that, not being manufacturers themselves, the only way in which they could hope to realize on the invention was by either selling the patent or licensing it to others on a reasonable royalty basis. They have no desire to interfere with anyone's use of the invention. Their only desire, and a natural one, is that the invention be used to the fullest extent by anyone and everyone who wishes to do so, asking in return but reasonable compensation for such use.

At the termination of the Interference, after priority of invention had finally been awarded to Daukus as the result of long and hotly contested proceedings, Daukus offered both Borg-Warner and its customer, Chrysler Corporation, licenses to use the invention (R. 121-128).

Borg-Warner refused to enter into any sort of settlement but instead brought the action under R. S. 4915 to

have priority awarded to Gamble, which action resulted in this litigation. Chrysler postponed any decision regarding the taking of a license pending the outcome.

Upon the decision of the Court of Appeals holding the Daukus patent valid and infringed respondents made renewed overtures to both Borg-Warner and Chrysler, offering each of them a license under the patent on a reasonable royalty basis—less than 5%. These offers still stand, notwithstanding Borg-Warner's exhaustive tactics.

In order to reach anyone else who might be interested in using the invention respondents have also publicly offered the Daukus patent for either licensing or sale. That offer was filed with the Commissioner of Patents on October 30, 1946, was entered as of that date in the *Official Register of Patents Available for Licensing or Sale*, and was published on November 26, 1946, in Volume 592 of the *Official Gazette of the Patent Office*, at page 418.

We repeat that "public interest" is a poor excuse for Borg-Warner to urge. If Borg-Warner had prevailed in the Interference proceeding no one other than Borg-Warner and its customers would ever have been permitted to derive any benefit from the invention, and that to the exclusion of all others. Instead, anyone now interested in using the invention is in a position to do so, without appreciable burden, since respondents can only realize on their investment through use of the invention by others, and the wider that use the more substantial their return.

CONCLUSION.

We earnestly urge that the petition be denied.

Respectfully submitted,

RAYMOND L. GREIST,

Counsel for Respondents.

APPENDIX.

Part I.

Independent **automobile manufacturers** (producers of pleasure cars, limousines, commercial delivery cars, trucks and buses who are located in Circuits **other** than the Sixth Circuit and who are **not** subsidiaries of any concerns located in the Sixth Circuit:

ACF-Brill Motors Co., Philadelphia Pa.....	3rd Circuit
Autocar Company, Ardmore, Pa.....	3rd Circuit
Available Truck Co., Chicago, Ill.....	7th Circuit
Bobbi Motor Car Corp., San Diego, Cal.....	9th Circuit
Brockway Motor Co., Cortland, N. Y.....	2nd Circuit
Condor Motors, Inc., Chicago, Ill.....	7th Circuit
Corbett Co., Henderson, N. C.....	4th Circuit
Dart Truck Company, Kansas City, Mo.....	8th Circuit
Diamond T Motor Car Company, Chicago, Ill..	7th Circuit
Esco Motor Company, Pittsburgh, Pa.....	3rd Circuit
Fourwheel Drive Auto Company, Clintonville, Wis.	7th Circuit
General American Aerocoach Co., Chicago, Ill..	7th Circuit
Hahn Motors, Inc., Hamburg, Pa.....	3rd Circuit
Hendrickson Motor Truck Co., Chicago, Ill....	7th Circuit
International Harvester Co., Chicago, Ill.....	7th Circuit
Kenworth Motor Truck Corp., Seattle, Wash...	9th Circuit
Linn Coach and Truck Co., Oneonta, N. Y.....	2nd Circuit
Linn Manufacturing Co., Morris, N. Y.....	2nd Circuit
MacDonald Truck & Mfg. Co., San Francisco, Cal.	9th Circuit
Mack Manufacturing Corp., New York, N. Y...	2nd Circuit
Marmon-Herrington Co., Indianapolis, Ind....	7th Circuit
Oshkosh Motor Truck, Inc., Oshkosh, Wis.....	7th Circuit
Peterbilt Motors Co., Oakland, Cal.....	9th Circuit
Pirsch & Sons Co., Kenosha, Wis.....	7th Circuit
Rehrberger & Son, Inc., Newark, N. J.....	3rd Circuit
Southern Coach Mfg. Co., Evergreen, Ala....	5th Circuit
Sterling Motor Truck Co., Milwaukee, Wis....	7th Circuit
Studebaker Corporation, South Bend, Ind....	7th Circuit

Walter Motor Truck Co., Ridgewood, L. I., N. Y. 2nd Circuit
 Ward-LaFrance Truck Co., Elmira Heights,
 N. Y. 2nd Circuit

(The above listing is taken from pages 9 and 10 of the last quarterly issue of *Chilton Automotive Buyer's Guide*, dated August, 1946, which publication we believe to be the most complete, authentic and widely used reference book on the subject.)

These concerns for the most part do not make clutch plates which they install in their vehicles but buy them from regular clutch and clutch plate manufacturers.

Part II.

Clutch and clutch plate manufacturers who are located in Circuits other than the Sixth Circuit and who are not subsidiaries of any concerns located in the Sixth Circuit:

Atkins & Co., Indianapolis, Ind. 7th Circuit
 Atwood Clutch Co., Auburn, Ind. 7th Circuit
 Borg & Beck Company, Chicago, Ill.* 7th Circuit
 Burgess-Norton Mfg. Co., Geneva, Ill. 7th Circuit
 Crosby Company, Buffalo, N. Y. 2nd Circuit
 Curtis Clutch Disc Co., St. Louis, Mo. 8th Circuit
 Disston & Sons, Philadelphia, Pa. 3rd Circuit
 Ingersoll Steel Company, Chicago, Ill.* 7th Circuit
 International Parts Corp., Chicago, Ill. 7th Circuit
 Jambor Tool & Stamping Co., Milwaukee, Wis. 7th Circuit
 Keystone Gasket Co., Philadelphia, Pa. 3rd Circuit
 Lipe-Rollway Corp., Syracuse, N. Y. 2nd Circuit
 Perfection Gear Co., Harvey, Ill. 7th Circuit
 Rockford Clutch Co., Rockford, Ill.* 7th Circuit
 Warner Automotive Parts Co., Auburn, Ind.* . 7th Circuit

* These particular concerns are subsidiaries of Borg-Warner Corporation, which corporation is also located in the 7th Circuit.

(The above listing is taken from pages 64 and 94 of the last quarterly issue of *Chilton Automotive Buyer's Guide*, dated August, 1946.)

The above concerns make clutch plates of various types for automotive vehicles and for the most part sell them both direct and through regional agencies to automobile manufacturers, wholesalers, dealers, garages and repair shops located throughout the United States.

Part III.

There were at the beginning of the war, and there probably now are, in the neighborhood of 48,000 so-called **Independent Repair Shops** engaged in the business, among other things, of buying clutch plates of various kinds from clutch and clutch plate manufacturers and installing them as replacements in automobiles all over the country. This total does not include either wholesalers or car or truck dealers.

(The above statistics are taken from page 45 of the same March 15, 1945 issue of *Automotive and Aviation Industries* which petitioners referred to on page 34 of their petition, where, incidentally, petitioners carefully avoided listing anything other than data pertaining to pleasure car manufacturers.)

Part IV.

Since the Schriber-Schroth case there have been five Sixth Circuit patent cases relating to the automobile industry in which petitions for writs of certiorari were filed. In every one of them certiorari was denied. These cases, and their subject matter, are as follows:

No.	Term	Brief Title	Subject Matter
301	1940	Timken-Detroit Axle Co. v. Lempeo Products, Inc.	Axle drive shaft
652	1941	Ternstedt Mfg. Co. v. Motor Products Co.	Automobile body
1141	1941	Berry v. Bohn Aluminum & Brass Corp.	Automobile engine piston
138	1942	Boez v. Hudson Motor Car Co.	Dampener for automobile driven shaft
530	1942	Swan Carburetor Co. v. Chrysler Corp.	Intake manifold for automobile engines
149	1943	Celanese Corp. of America v. Libbey - Owens - Ford Glass Co.	Safety glass for automobile bodies

All of these cases necessarily involved questions of interpretation of the patent laws in their bearing on the validity of the patents, and all of them were equally as much concentration of automobile industry cases as the Schriber-Schroth case.

In each, it is true, the patent had been held invalid and the patentee denied all relief by the Court of Appeals, but certainly whether or not a patent has been sustained is not the equitable criterion which this Court employs in considering certiorari in concentration of industry cases. If concentration can be said to exist to such an extent as to make really improbable any likelihood of unauthorized use of the invention and consequent litigation in other circuits, there would be just as much reason to grant certiorari in a case where the patentee has failed to prevail as in a case where he has prevailed. In either event, the theory underlying concentration cases would, in equal justice to all, be the same. In the first mentioned situation, the patentee would never be afforded the opportunity to litigate in another circuit and all manufacturers in the circuit of concentration would be immune, notwithstanding that the

decision in that circuit on the question of validity might have been wrong. In other words, the thing cuts both ways, and the Court's refusal to grant certiorari in such cases as the above mentioned ones would clearly indicate that alleged concentration of industry alone is definitely not considered by this Court to constitute sufficient grounds for granting certiorari.

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FILED

JAN 31 1947

CHARLES ELMORE GOSPEL
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1946.

No. 700

**BORG-WARNER CORPORATION and
DAVID E. GAMBLE,**

Petitioners,

vs.

**GEORGE I. GOODWIN and JOHN F. DAUKUS,
Respondents.**

PETITION FOR REHEARING.

**MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.**

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IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

Petitioners,

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,
Respondents.

PETITION FOR REHEARING.

*To the Honorable Frederick M. Vinson, Chief Justice of
the United States, and the Associate Justices of the
Supreme Court of the United States:*

Your petitioners respectfully request that the Court reconsider its action of January 6, 1947, denying petition for writ of certiorari filed in the above entitled case November 22, 1946; that the order then entered in this case be vacated; and that a writ of certiorari to the United States Court of Appeals for the Sixth Circuit be granted according to the prayer of said petition.

The discretionary power of this Court is invoked, under established precedent upon the following grounds:

1. The Court of Appeals for the Sixth Circuit has sustained as valid a patent which dominates a substantial part of the automobile industry, at least 95% of which industry is concentrated within the jurisdiction of the Sixth Circuit whereby, litigation, with a resulting conflict of decision, is highly improbable.
2. The Court of Appeals for the Sixth Circuit, in a decision *reversing* the District Court, has sustained as valid a patent for an alleged combination which is unpatentable over the prior art and is plainly aggregational on its face, which decision is in direct conflict with recent pronouncements of this Court.
3. That since the filing of said petition petitioners have become advised that the patent in suit has been rendered invalid in its entirety because respondents have deliberately and unreasonably neglected or delayed to enter a disclaimer of invalid claims of that patent in violation of the disclaimer statutes (Sections 4917, 4922 R. S., U. S. C. Tit. 35, Secs. 65, 71), thereby invalidating the entire patent.

Point I.

Respondents By Virtue Of The Judgment Of Which Review Is Sought Are In A Position To Dominate Substantially The Entire Automobile Industry Without Litigating The Patent In Suit Beyond The Sixth Circuit.

This Court since the case of *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464, 79 L. Ed. 997, 55 S. Ct. 449, has *uniformly* granted certiorari in *all cases* where a patent has been *sustained* in a circuit wherein the industry is so concentrated that litigation elsewhere, with a resulting conflict of decision, was improbable.

Respondent's brief in opposition to the original petition recites only cases of refusal to grant certiorari where the patent has been declared *invalid* and wherein, therefore, no question of public interest, necessitating prompt decision by this Court, was involved.

This Court has definitely ruled in connection with an invention relating to *pistons*, that the automotive industry is so concentrated in the Sixth Circuit that litigation elsewhere is unlikely. See *Schriber-Schroth Company v. Cleveland Trust Company*, 305 U. S. 47, 83 L. Ed. 34 (decided November 7, 1938), where the Court said (p. 50):

"We later granted certiorari in 304 U. S. 587, 82 L. Ed. 1548, 58 S. Ct. 1052, 1053, on a petition for rehearing showing that, notwithstanding the doubtful validity of the patents, litigation elsewhere with a resulting conflict of decision was improbable because of the concentration of the automobile industry in the sixth circuit. Cf. *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464, 79 L. Ed. 997, 55 S. Ct. 449; *Altoona Publix Theatres v. American Tri-Ergon Corp.*, 294 U. S. 477, 79 L. Ed. 1005, 55 S. Ct. 455."

Certiorari in that case was granted contrary to the assertions in respondent's brief in opposition to the original petition (last paragraph, page 4), *solely* because of the concentration of the automotive industry and not because of any "new question of patent law".

Petitioner in the *Schriber-Schroth* case established concentration of approximately 95% of the industry by quoting from a recognized trade paper, "Automotive Industry" dated February 26, 1938, showing sales of automobiles by the various manufacturers in the period from 1929 to 1937 which were condensed, as follows, together with an affidavit establishing that 95% of the pistons made in the United States were either manufactured in the States of Ohio and Michigan or assembled into automobiles by manufacturers located within the States of Ohio and Michigan:

<i>Manufacturers Within the Sixth Circuit</i>		<i>Manufacturers Without the Sixth Circuit</i>	
General Motors ..	8,787,556	Auburn	94,783
Chrysler	4,170,813	Austin	12,045
Ford	6,399,757	De Vaux	6,166
Continental	4,263	Durant	77,519
Graham	192,077	Franklin	25,585
Hudson	810,155	Marmon	41,830
Hupmobile	119,563	Nash	399,535
Packard	317,563	Studebaker	482,941
Reo	54,018	Misc.	58,542
Willys	439,026		
<hr/>		<hr/>	
Total	21,294,814	Total	1,198,946

Petitioners presented in their petition for writ of certiorari (p. 34) a summary of data from "Automotive and Aviation Industry" of March 15, 1945, showing even a greater concentration of the automobile industry in the Sixth Circuit as affecting this case.

Supplementing the matters previously presented by petitioners on this point affidavits¹ of responsible, informed persons are presented herewith which show that the accused Borglite plate is standard equipment in twelve of the leading makes of automobiles and is manufactured by General Motors Corporation in quantities of several hundred thousand as well as by Borg-Warner, thus making the judgment in this case effective against a large part of the automobile industry. These affidavits also show not only that more than ninety-five percent of the factory sales of all automobiles sold in the United States are made by companies having an established place of business in the States of Michigan and Ohio where they manufacture or sell motor vehicles within the Sixth Circuit, but that more than ninety-five per cent of the driven clutch plates manufactured in the United States for assembly in automobiles in the United States are either manufactured by manufacturers located within the States of Michigan and Ohio, or manufactured by the said Borg-Warner Corporation (which will be bound by the judgment entered in this case), or assembled in automobile engine assemblies in the States of Michigan and Ohio. It is thus apparent that under Sec. 48, Jud. Code, U. S. C. Tit. 28, sec. 109; Sec. 4884, R. S., U. S. C. Tit. 35, sec. 40, the respondents need not go beyond the Sixth Circuit to dominate substantially

¹These affidavits are set forth in the Appendix to this petition (*infra* pp. 27-34) and include statements under oath by Oscar P. Pearson, Statistician of the Automobile Manufacturers Association, which not only receives regular reports from its members but statistical data of factory sales by the entire automobile industry; by Tolbert L. Knecht, vice-president and general manager of Borg and Beck Division of Borg-Warner Corporation; and by the president of the Automotive Division of the Chilton Company, which publishes the publications cited in the briefs of both parties.

the entire automobile industry under the judgment of the Court of Appeals of which review is sought.

The respondents' showing in their brief in opposition to the petition for writ of certiorari wholly fails to overcome petitioners' showing. Practically all companies listed by respondents as beyond the Sixth Circuit are minor manufacturers whose production is practically negligible, as the statistics which have been cited show. Respondents' showing as to the manufacture of clutch plates for replacement purposes is beside the point, for there would be no replacements but for the original assembly and sale within the Sixth Circuit and the elimination of a given type of clutch plate as original equipment would eliminate the replacement of it. A similar contention was made in the *Schriber-Schroth* case, but it was there pointed out by the petitioner that the few non-resident manufacturers of automobiles could in effect be subjected to the jurisdiction of the courts of the Sixth Circuit by suits against dealers, as indeed they have in the past (*Reeke-Nash Motors v. Swann*, 88 F. (2) 876; *Gear Grinding Company v. Studebaker Corp.*, 270 Fed. 934).

The invention involved in the *Schriber-Schroth* case related to pistons while the invention here relates to clutch plates. The *piston* of the type involved in the *Schriber-Schroth* case and the *clutch plate* of this case are *component parts* of an automobile engine assembly. There, as here, the respondents argued that the concentration of the automobile industry in the Sixth Circuit was unimportant as many pistons were made by companies non-resident to the Sixth Circuit, or were manufactured for replacements elsewhere. This Court nevertheless granted certiorari upon petitioner's showing that a large proportion of such pistons were either made within the Sixth Circuit or *assembled* into automobiles by manufacturers located within the States of Ohio and Michigan (p. 9, Petitioner's *Second* Petition for Rehearing). Regardless of the Circuit where-

in manufacturers of clutch plates may be resident, here, as was established in the *Schriber-Schroth* case, at least 95% of the automobile industry using such clutch plates is concentrated within the Sixth Circuit. Four of the clutch manufacturers tabulated on page 12 of respondents' brief are subsidiaries of petitioner. Accordingly that circuit possesses nation-wide jurisdiction of the patent in suit by proceedings which may be instituted against the *sellers* or *users* of automobiles into which such clutches are assembled.

Respondents themselves being inhabitants of the Sixth Circuit, no member of the public can obtain an adjudication of the patent in another circuit by Declaratory Judgment proceedings or otherwise.

In such a situation it is evident that this Court will never have an opportunity to resolve a conflict between decisions of the different Circuit Courts of Appeal. It is unreasonable to expect that respondents will risk their 95% control of the automobile industry in any effort to dispose of the other 5% by placing the patent in jeopardy in another circuit. **The decision, unless reversed, therefore has nationwide finality; the practical effect, indeed, of a decision by this Court.**

In *Exhibit Supply Company v. Ace Patents Corporation*, 315 U. S. 126, 86 L. ed. 737, the Court granted certiorari on *rehearing* without a conflict of decision, saying (p. 128):

"Although there is no conflict of decision, we were moved to grant the petition by the nature of the questions presented, together with a showing that the industry affected by the patent is located in the seventh circuit so that litigation in other circuits resulting in a conflict of decision would not be likely to occur."

Again, in *Muncie Gear Works, Inc., v. Outboard, Marine & Manufacturing Company*, 315 U. S. 759, 86 L. Ed. 1171, the Court, following the *Schriber-Schroth* and the *Paramount* cases, granted certiorari because of the concentration of the industry and the improbability of litigation elsewhere (pp. 765, 766):

"While there was no conflict of decision with respect to these claims, we granted certiorari in view of the questions presented and because the patent dominates a substantial portion of an industry so concentrated in the Seventh Circuit that litigation in other circuits, resulting in a conflict of decisions, is unlikely. 314 U. S. 594, *ante*, 479, 62 S. Ct. 100. *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47, 83 L. Ed. 34, 59 S. Ct. 8."

The same considerations would seem to call for like action in this case.

Point II.

The Court Of Appeals For The Sixth Circuit, By Reversing The Judgment Of The District Court, Has Erroneously Validated Alleged Combination Claims Which Are Plainly Invalid As Defining An Unpatentable Aggregation Of Old And Well-Known Elements In Direct Conflict With Applicable Decisions Of This Court.

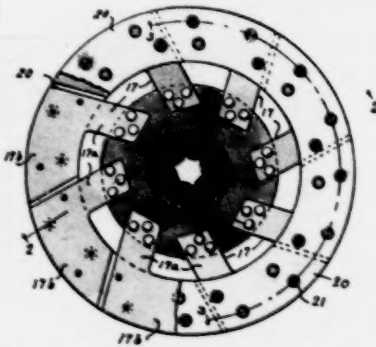
The District Court (Judge Lederle) following a three day argument, in exhaustive Findings of Fact and Conclusions of Law (R. 35), ruled that *all* of the claims of the Daukus patent in suit were invalid.

In Fact Finding 10 (R. 36, 37) the District Court quoted from an opinion of the Board of Interference Examiners to the effect that the *only* feature regarded by the Patent Office as giving vitality to the Daukus claim was to make cushion members 31 of thinner material than the interme-

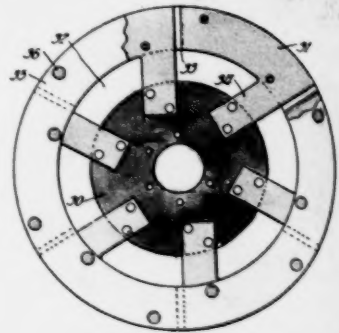
diat disk 30 to which they are attached.² The Board was then referring to interference counts 4, 5, 6, 7, 9 and 10, which corresponded to Daukus claims 13, 14, 15, 17, 19 and 20, sustained by the Court of Appeals. The decision of the Board fixed the scope of the alleged invention in controversy in relation to the prior art considered by the Patent Office. It remained unchallenged by Daukus. Accordingly, each of the twenty-three claims of the patent in suit necessarily was required to be limited to the feature of the relative thickness of the cushion elements and the intermediate member.

²"A distinguishing feature of the new clutch plate is that the cushion members are of thinner material than is an intermediate member on which they are mounted; that is, the cushion members are of less weight per unit area than the disk-like intermediate member, thus reducing the spinning inertia of the clutch plate, and permitting quick shifting of the gears which is the ultimate object of the invention of the counts. . . . Perhaps the closest prior art is illustrated in Figure 4 of the Daukus patent, No. 1,777,399 which figure shows elements corresponding to those of the new friction plate, except that it does not explain whether the outer L-shaped cushion members 31 are thinner or thicker than the intermediate disk 30, or are of the same thickness. Because of this indefiniteness, the counts cannot properly be said to express only a difference in degree over what is shown in the patent."

The decision of the Board of Interference **Examiners** will be more fully understood by comparing Fig. 1 of the Daukus patent in suit (R. 408) with Fig. 4 of the Daukus prior art patent (R. 208) here reproduced:



DAUKUS PATENT
IN SUIT
No. 2,324,913
FIG. 1 (R. 408)

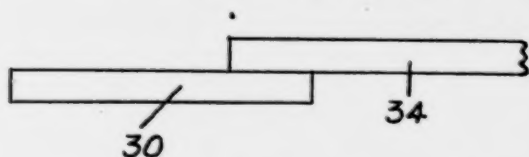


PRIOR ART
DAUKUS PATENT
No. 1,777,399
FIG. 4 (R. 208)

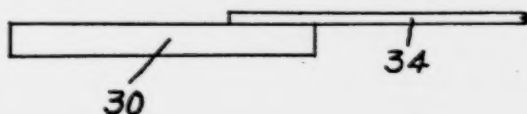
Corresponding parts are colored alike, though numbered differently. Friction facings (yellow) are partially broken away to show peripheral portions of cushion members (blue). The structural arrangements differ only in the number of rivets and holes provided therefore, a slightly different angular arrangement of cushion members (blue) respectively designated 34 and 17, an increased number of them in the case of the patent in suit, and the omission from the drawing of the earlier patent of the hub and associated parts including flange (brown) and rivets (green), shown in the drawings of the patent in suit and essential to and contemplated in the structure of the earlier patent.

Considering the intermediate member 30 and an L-shaped cushion member 34, 31 of the prior art patent as viewed edgewise, that is, looking along the plane of the drawing toward an edge of the clutch plate,

⁴ ~~The~~ The Board reasoned that, because the prior art Daukus patent did not show the relative thicknesses of elements 30 and 34, it was *assumed* that they were of the same thickness, thus (viewing the intermediate member 30 and an L-shaped cushion member 34, 31, as if turned edgewise),



Accordingly it was held by the Board to be invention to make element 34 thinner than element 30, solely to reduce its weight and so its spinning inertia, thus,



This was the *only* feature held to be novel by the Patent Office.

At the trial petitioners produced evidence with which the Patent Office was unfamiliar when granting the claims and of which the rules of the Patent Office did not permit consideration. See *Stern v. Schroeder*, (C. C. P. A.), 36 F. (2) 518, 521. That evidence clearly established that cushion members of thinner material than the intermedi-

ate disk were indeed old long prior to Daukus' advent (Fact Finding 11, last sentence, R. 38).³

The prima facie force of the Daukus patent is thus destroyed, as the only consideration for its grant has now been proven to be old.

The District Court (R. 37, F. F. 11) held that making the cushion members thinner than the intermediate plate did not involve invention (thus nullifying the *only* feature of novelty, as found by the expert tribunals of the Patent Office) regardless of the proven public use.

Respondents were forced to concede the correctness of that fact (Appendix pp. 34, 35).⁴

"However, the record in this case proves *beyond a reasonable doubt* that it had been a common practice more than two years prior to the alleged invention to make the cushion elements of steel and thinner than the intermediate member." (Emphasis ours.)

"I say this, that our claims which do not bring in the fact that our cushion members are both distorted axially and are structurally independent members between the facings, if the claims do not bring that in, I do not believe they define invention . . .".

(Quotation of statement by Mr. Griest appearing on pp. 81, 82 of transcript of proceedings in this cause before District Judge Lederle at Detroit, Michigan, on September 26, 1944. Appendix, p. 35).

Respondents at the trial accordingly restricted their counterclaim by the elimination of many claims of which claim 1 is an example.⁵

Respondents were thus forced, in view of the evidence adduced at the trial, to rely for patentable novelty upon the mere thought of waving or axially distorting structurally independent members whereby to keep the attached friction facings separated, a feature the Patent Office had obviously (and necessarily as will appear) not regarded as importing patentability to the interference counts. In this connection will the Court kindly re-examine the "Borg-Warner prior commercial practice under the Reed patent compared with Daukus' Exhibits 2 and 5" and "Chart of Development of Borglite Plate" attached to petitioners' brief in support of petition for writ of certiorari (opposite page 22 and at end of the brief, respectively).

The District Court in fact finding 11 (R. 37) held that

"Assuming that it could be said that the discovery that the 'L-shaped' cushion members of lighter materials would reduce the spinning inertia of the plate constituted patentable invention, the invention was not made by Daukus. Clutch plates embodying this concept were in use and on sale prior to 1930. The evidence of this prior use was not before the Patent Office." (Emphasis ours.)

⁵Claim 1. "In a clutch plate construction, a hub, an intermediate member non-integral with said hub and secured thereto, a cushion member of thinner material than said intermediate member and carried thereby, said cushion member extending outwardly from said intermediate member and at its outer portion subtending a greater arcuate angle than is subtended by a portion of said cushion member between said intermediate member and said outer portion of said cushion member."

Notwithstanding the admissions of Daukus' counsel at the trial (Appendix pp. 34, 35) some of the sustained claims* completely fail, in fact, to narrow the invention to the axial distortion or waving or bowing of the cushion elements. Thus claims 4 and 17 read *verbatim* upon the Daukus earlier patent 1,777,399, a statutory bar to the Daukus patent in suit, with the *sole* exception that said earlier Daukus patent does not clearly describe the now proven old feature of making the cushion elements 34, 31 of thinner material than the intermediate member 30. The effect of the decision of the Court of Appeals, therefore, unless reversed, would render it unlawful for any member of the public to manufacture the precise structure shown in this prior art patent issued to Daukus in 1930 (Figure 4, opposite page 3 of petition for writ of certiorari) provid-

*Claim 4. "In a clutch plate construction, a central hub, an intermediate member, a plurality of angularly formed sections of *less thickness* than said intermediate member and provided with necks overlying and secured to said intermediate member, the unsupported ends of said sections being materially wider than said necks and cooperating with each other to form a relatively continuous ring spaced outwardly from said intermediate member, and friction material secured to said cooperating sections."

Claim 17. "In a friction clutch plate, a hub, a mounting disc mounted on said hub, comprising a substantially circular central disc portion of sheet metal of such thickness as to be substantially unyielding and to adequately withstand the torque loads imposed upon it during clutch operation, and a peripheral region having a low rotational inertia, said peripheral region comprising a plurality of yieldable cushion members of materially lesser thickness and weight per unit area than said disc portion spaced from the periphery of said disc portion, neck members of reduced circumferential width compared to that of said cushion members, joining said cushion members to the disc portion, and friction facings embracing and secured to opposite sides of said cushion members."

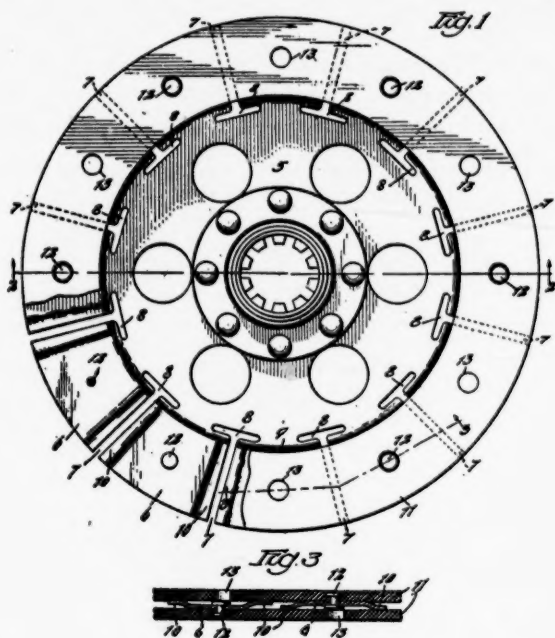
ing such cushion elements are attached to an intermediate member or connecting web having greater thickness than the cushion elements. *Indeed, if the patent in suit is upheld, Borg-Warner would be enjoined from making the Ahlene plate of which it sold millions beginning in 1931.* Such a situation is contrary to the fundamental rule of patent law, conceded by respondents' counsel, that

"Anything that would, coming later, be an infringement, would, if it came before, be an anticipation. And I agree with that 100% ." (Appendix p. 34)

This early Daukus patent itself contains a clear disclosure of the axial distortion of the cushion elements for imparting yieldable engagement of the friction facings with the friction plates.⁷

⁷"The segments may be bent laterally at the slots 33 in the manner described in connection with Figures 2 and 3, if desired." (Page 2, col. 1, lines 53-55; See also, page 2, col. 1, lines 1-14, R. 208.)

The opinion of the Court of Appeals seems to rely on the fact (obviously unpatentable as declared by the Patent Office in its ruling) that the peripheral portions 17b of the patent in suit are bowed in a more pronounced manner than in the prior Daukus patent, but that feature is the invention of Mr. Gamble in his patent No. 1,659,289 of 1928 (R. 386) shown below:



There were countless varieties of such peripherally, i. e., circumferentially, bowed cushion elements in use long prior to Daukus.

Petitioners' evidence introduced at the trial as supplemental to the Patent Office record, established that it was common practice to employ the waving or distortion feature for exactly the same function in the Borg-Warner commercial structure beginning in 1931 (R. 137 XQQ 83-88 Plaintiffs' Exhibits AAA 21,-23). These structures are clearly illustrated in the charts attached to the original petition for a writ of certiorari. Whether or not the cushion elements are all part of one plate, i. e., "integral type", or are wholly separate and independent, was conceded by Daukus, himself (pp. 25, 60, 61, 80 and 136, Pl. Ex. AAA 1), in the interference proceedings, to be functionally unimportant:

"Those webs don't mean nothing only better to assemble clutch plate."

Furthermore the claims in suit fail completely to define a valid combination and are clearly invalid as unpatentable aggregations. Thus the axial distortion of the cushion elements for imparting yieldable engagement to the friction facings (as first shown in Gamble patent No. 1,659,289, R. 386) performs a function wholly independent of whether (a) the cushion elements are of thinner material than the connecting web; or (b) whether the cushion members are integrated or structurally independent. The function of making the cushion members of lighter material, to reduce inertia, has utterly no co-action with the waving or distortion thereof.

No *new element* has been invented by Daukus; the claims at best simply contain recitations aggregating old and well known features of the prior art. No new result oc-

*See notations on chart attached to original petition (opp. p. 22) "Borg-Warner commercial practice under Reed patent compared with Daukus' Exhibits 2 and 5."

curs. This Court has accordingly ruled that such patents are void. *Powers Kennedy Corp. v. Concrete M. & C. Co.*, 282 U. S. 175, 186, 75 L. Ed. 278, 286:

“For these reasons we find that the patent (for a concrete conveyer using compressed air) is invalid. It consists of a combination of elements all of which were old in the art. Its application to the transportation of concrete did not involve invention. Neither the combination of old elements or devices accomplishing no more than an aggregate of old results (citing cases), nor the use of an old apparatus or appliance for a new purpose (citing case) is invention.”

Further authority by this Court will be found in:

Keystone Driller Co. v. Northwest E. Corp., 294 U. S. 42, 50, 79 L. Ed. 747, 752.

Grinnell Washing Mach. Co. v. E. E. Johnson, 247 U. S. 426, 432, 62 L. Ed. 1196, 1199.

Pickering v. McCullough, 104 U. S. 318.

This Court as recently as October 18, 1946, ruled, on re-hearing, in *Halliburton Oil Well Cementing Company, Petitioner, v. Clifford P. Walker, Respondent*, that combination claims and improvements or additions to them must be viewed with *very close scrutiny*.

In *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84, the Court said (p. 90):

“Since *Hotchkiss v. Greenwood*, 11 How. (U. S.) 248, 267, 13 L. Ed. 683, 691, decided in 1851, it has been recognized that if an improvement is to obtain the privileged position of a patent more ingenuity must be involved than the work of a mechanic skilled in the art.”

As this Court stated in *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U. S. 545 (at page 549):

“As we said of Gullborg in the Rogers Case, having hit upon this improvement he did not patent it as such but attempted to claim it in combination with other

old elements which performed no new function in his claimed combination. The patent is therefore void as claiming more than the applicant invented. The mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not patentable invention. And the improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in the combination."

Obviously the Court of Appeals was unduly influenced by the circumstance that Borg-Warner Company had, itself, attempted to secure a patent on the clutch plate in issue. That apparent inconsistency was referred to in Fact Finding 9 (R. 36) but as pointed out by the District Court in Fact Finding 11 (R. 37) the evidence produced by the petitioners *was not before the Patent Office*. It was unknown to Petitioners' patent attorney when prosecuting the Gamble application. The bill of complaint in the declaratory judgment suit was based on the contention that all claims, including the interference counts were invalid, thus disclaiming any right in Borg-Warner to the claims hereof unless limited to the special material used in the Borglite plate, namely, clock spring steel. This contention Borg-Warner could consistently then make because of the proven public use.

In any event this Court has expressly ruled that the public interest in such cases is paramount and that the loser of an interference contest is not estopped to dispute the validity of a patent on subject matter it had once asserted. *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464. The public interest in patent litigation was again expressed by this Court in *Muncie Gear*

Works, Inc. v. Outboard, Marine & Manufacturing Company, 315 U. S. 759, 769:

"* * * To sustain the claims in question upon the established and admitted facts would require a plain disregard of the public interest sought to be safeguarded by the patent statutes, and so frequently present but so seldom adequately represented in patent litigation."

And in *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U. S. 661, speaking through Mr. Justice Douglas the Court said (p. 665):

"It is the public interest which is dominant in the patent system."

The decision of the Court of Appeals on rehearing (R. 485) incorrectly intimates that the Daukus early patent 1,777,399 was lightly regarded by petitioners, as petitioners introduced no testimony relative to that patent during the trial. Indeed, that court rather baldly concluded:

"In view of the absence of testimony supporting appellees' contention that Daukus Patent No. 1,777,399 invalidates Daukus Patent No. 2,324,913, the conclusions of the expert tribunals should not lightly be set aside."

That Court obviously overlooked the fact that respondents had maneuvered petitioners to file a bill in equity under Sec. 4915 R. S., in the Sixth Circuit, where petitioners were resident, by the notice of election served under Sec. 4911 R. S., U. S. C. Tit. 35, Sec. 59 (a) after petitioners had given notice under Sec. 4912 R. S., U. S. C. Tit. 35, Sec. 20, of their appeal to the Court of Customs and Patent Appeals, and that in such proceedings under Sec. 4915 R. S. the record in the Patent Office is admitted with the same force and effect as if originally taken and produced in the suit.

Indeed, Sec. 4915 R. S. expressly provides:

"In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit."

Petitioners therefore introduced the record with the Opinion of the Board of Interference Examiners relative to the disclosure of the Daukus patent (Fact Finding 10 R. 36) (what better expert testimony could have been offered?) and proceeded to take *additional* testimony to establish that it was common commercial practice to make the connecting web thicker than the cushion elements, which was the only feature relied upon by the Patent Office Board of Interference Examiners as lending patentability to the Daukus claims.

Respondents took no testimony before the District Court to establish the incorrectness of said ruling of the Board of Interference Examiners. If Daukus had considered himself to be entitled to a broader scope of invention he could have proposed ^{to the Patent Office} other claims accordingly and obtained a ruling thereon but did not. The burden was plainly upon him to do so.

Point III.

Respondents Have Deliberately And Unreasonably Neglected Or Delayed To Enter A Disclaimer Of Invalid Claims Of The Patent In Suit In Violation Of The Disclaimer Statutes, Thereby Invalidating The Entire Patent.

On September 26, 1944, respondents' counsel, in view of the evidence produced by petitioners, admitted the invalidity of the broader claims of the patent in suit and recognized the necessity of filing a statutory disclaimer under the disclaimer statutes (Sections 4917, 4922 R. S., U. S. C. Tit. 35, Secs. 65, 71). See Appendix, *infra*, pp. 34, 35.

At the hearing of the cause before the District Court on June 1, 1944, respondents restricted their counterclaim, charging infringement, to claims 4, 6, 13, 14, 15, 17, 19, 20 and 23 (Appendix p. 34).

The judgment of the District Court (R. 40) granted the prayer of petitioners' supplemental bill of complaint under the Declaratory Judgment Act (R. 24) and ruled that *all* claims of the Daukus patent were invalid for want of invention.

In their notice of appeal filed June 20, 1945 (R. 41), respondents appealed from "the final judgment entered in this action on June 20, 1945". Subsequently, however, respondents made a motion to amend their notice of appeal "by changing 'final judgment entered in this action on June 20, 1945' to 'that part of the final judgment entered in this action on June 20, 1945, which dismisses defendants' counterclaim'" (R. 44). The decision of the Court of Appeals was accordingly confined to those claims which respondents specified as relied on and to which they

had restricted their counterclaim.

Upon the expiration of the statutory period for appeal (three months after the entry of judgment) provided by U. S. C. Tit. 28, Sec. 230, the judgment of the District Court entered June 20, 1945, except as to that part of it dismissing their counterclaim, became final and conclusive, because respondents' appeal as completed was limited to that part of the judgment dismissing such counterclaim. See Rule 73 (a, b), Federal Rules of Civil Procedure; *American Fork & Hoe Co. v. Stampit Corp.*, (C. C. A. 6) 125 Fed. (2d) 474; *Carter v. Powell*, (C. C. A. 5) 104 F. (2) 428, 429. Since by that judgment all claims of the patent in suit were adjudged to be invalid, and under the counterclaim respondents limited their assertion of validity and infringement of claims of that patent to claims Nos. 4, 6, 13, 14, 15, 17, 19, 20, and 23, it became the duty of respondents under the disclaimer statutes (Secs. 4917, 4922, U. S. C. Tit. 35, Sec. 65, 71), *promptly* upon the expiration of the statutory period for appeal, to file a disclaimer of all claims adjudged to be invalid and not asserted under the counterclaim, namely, claims 1, 2, 3, 5, 7, 8, 9, 10, 11, 12, 16, 18, 21, and 22. *Ensten v. Simon Ascher & Co.*, 282 U. S. 445, 453; *Maytag Company v. Hurley Machine Co.*, 307 U. S. 243, 245, 246; *Marconi Co. v. U. S.*, 320 U. S. 1, 4, 58; *Otis Elevator Co. v. Pacific Finance Corp.*, (C. C. A. 9) 68 F. (2) 664, 670, 671; *Railway Engineering Co. v. Oregon Short Line Co.*, (C. C. A. 10) 79 F. (2) 469, 472; *Radio Condenser Co. v. General Instrument Corp.*, (C. C. A. 2) 65 F. (2) 458, 459; *Apex Electrical Mfg. Co. v. Maytag Co.*, 122 F. (2) 182, 188, 189. The Court of Appeals for the Sixth Circuit has held in several cases that a period of thirty days is appropriate for this purpose. *Herman v. Youngstown Car Mfg. Co.*, (C. C. A. 6) 191 Fed. 579; *Higgin Mfg. Co. v. Watson*,

(C. C. A. 6) 263 Fed. 378, 387; *Excelsior Steel Furnace Co. v. Williamson Heater Co.*, (C. C. A. 6) 269 Fed. 614, 619.

Respondents, following the decision of the District Court holding that *all claims* of the Daukus patent were invalid, found themselves on the horns of a dilemma. Had a statutory disclaimer been filed respondents, on appeal, would have been embarrassed by the requirement of establishing patentability of the subject matter of the claims on appeal over the subject matter disclaimed under the authority of this Court's decision in *Maytag Co. v. Hurley Machine Co.*, 307 U. S. 243. Respondents accordingly "elected the course which" they "would pursue with knowledge of the options open to" them. *Maytag v. Hurley Machine Co.*, *supra*. **By their failure to disclaim respondents have invalidated all claims of their patent.**

As the Court said in the *Marconi case*, 320 U. S. 58:

"The purpose of the rule that a patent is invalid in its entirety if any part of it be invalid is the protection of the public from the threat of an invalid patent, and the purpose of the disclaimer statute is to enable the patentee to relieve himself from the consequences of an invalid claim if he is able to show both that the invalid claim was inadvertent and that the disclaimer was made without unreasonable neglect or delay. . . . Here the patentee has sustained neither burden."

Respondents deliberate, "unreasonable neglect or delay to enter a disclaimer" as required by the disclaimer statutes, invalidates the entire patent in suit. The propriety of presenting the point to this Court, and the manner in which petitioners presented it are indicated in several cases. *Electrical Fittings Corp. v. Thomas & Betts Co.*, 307 U. S. 241, 242; *Muncie Gear Works v. Outboard M. & Mfg. Co.*, 315 U. S. 759, 768; *U. S. v. Alaska S. S. Co.*,

253 U. S. 113; *U. S. v. Anchor Coal Company*, 279 U. S. 971, 972; *County of Dakota v. Glidden*, 113 U. S. 222, 225, 226; the *American Wood Paper Co. v. Heft*, 75 U. S. 333; 19 L. Ed. 378, 379; *Lord v. Veazie*, 8 How. 251. In the *Electrical Fittings* case, which involved the right of a successful defendant in a patent infringement suit to have a decree that a patent claim was valid but not infringed, reformed to eliminate the adjudication of validity, the Court said (p. 242):

"We think the petitioners were entitled to have this portion of the decree eliminated, and that the Circuit Court of Appeals had jurisdiction, as we have held this Court has, to entertain the appeal, not for the purpose of passing on the merits, but to direct the reformation of the decree."

This Court in *Muncie Gear Works v. Outboard, M. & Mfg. Co.*, 315 U. S. 759, decided March 30, 1942, granted certiorari because of the concentration of industry in the Seventh Circuit. One of the questions involved was the failure of the patentee to present claims within two years from the date of a public use or sale of the invention under Section 4886 of the Revised Statutes. The question had not been clearly presented to the Circuit Court of Appeals "if indeed it was presented at all". But this Court nevertheless accepted jurisdiction over the question, stating (p. 768):

"* * * We are not foreclosed from a decision under §4886 on the point by the obscurity of its presentation in the courts below. This issue has been fully presented to this Court by the petition for a writ of certiorari, and in subsequent briefs and argument; and there is not the slightest indication that respondents have been prejudiced by such obscurity. To sustain the claims in question upon the established and admitted facts would require a plain disregard of the public interest sought to be safeguarded by the pat-

ent statutes, and so frequently present but so seldom adequately represented in patent litigation."

In *Sundstrand v. Gubelmann*, 4 F. (2) 166, the Court of Appeals for the District of Columbia, on a question which involved the failure to copy claims of a patent within two years, held that notwithstanding the fact that the issue had not been raised below, that it was jurisdictional in nature and could be raised at any time.

See, also, *O'Brien v. Bonelli*, 18 F. (2) 190, by the Court of Appeals for the District of Columbia.

It seems clear that the Court ought not to permit the judgment of the Court of Appeals in this case to stand without review.

Respectfully submitted,

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

I, Edward C. Gritzbaugh, counsel for the above named petitioners, do hereby certify that the foregoing petition for rehearing of this cause is presented in good faith and not for delay.

EDWARD C. GRITZBAUGH,
Counsel for Petitioners.

APPENDIX.

I.

Affidavit of Oscar P. Pearson, Statistician of the Automobile Manufacturers Association.

(Caption Omitted)

STATE OF MICHIGAN }
COUNTY OF WAYNE } ss.

OSCAR P. PEARSON, being duly sworn, deposes and says that he is the Statistician of the Automobile Manufacturers Association, Inc., a non-profit corporation, organized and existing under the Membership Corporations Law of the State of New York; that the Association has its headquarters in Detroit, Michigan; that the membership of that Association comprises all of the principal manufacturers of motor vehicles in the United States except the Ford Motor Company; that all of the members of the said Association make regular reports to the Association of the number of their factory sales of automotive vehicles produced by them; that the said Association has received statistical data of the factory sales of motor vehicles of the automotive industry in the United States, including the sales of members and non-members of the Association; that the said records include the number of the factory sales of motor vehicles manufactured, if any, by the manufacturers listed in Exhibit A hereto attached; that such list includes all the motor vehicle manufacturers now producing motor vehicles in the United States; that he has been in charge of the supervision and keeping of such records for the past twenty-five years and in such capacity is fully informed thereof; that he has computed from the information contained in such records the total number of

all of the factory sales of motor vehicles made by all of the manufacturers listed in Exhibit A including both members of the Association and non-members; that he finds that more than ninety-five percent of the total of all of the factory sales of motor vehicles manufactured in the United States during the eleven months ending November 30, 1946 were made by companies having established places of business in the States of Michigan and Ohio where they manufactured or sold motor vehicles; that the records of factory sales for said eleven months show that 2,713,421 motor vehicles were sold by the manufacturers having established places of business in the States of Michigan and Ohio where vehicles were made or sold; that only 127,838 motor vehicles were manufactured or sold in the United States during the same period by manufacturers having no established place of business in Michigan or Ohio; and that the proportion of the factory sales of motor vehicles made by the same companies in the preceding ten years is also substantially the same proportion of the entire factory sales of the automotive industry of the United States as for the time stated above.

Oscar P. Pearson

Subscribed and sworn to before me, a Notary Public, this 28th day of January, 1947.

Muriel J. Willoughby,
Notary Public

(Seal)

My Commission Expires May 28, 1948.

EXHIBIT "A".

(To be attached to affidavit signed by Oscar P. Pearson,
Jan. 28, 1947.)

MOTOR VEHICLE MANUFACTURERS IN THE UNITED STATES

ACF-Brill Motors Company Philadelphia 42, Pennsylvania	Ford Motor Company Dearborn, Michigan
The Autocar Company Ardmore, Pennsylvania	The Four Wheel Drive Auto Co. Clintonville, Wisconsin
Available Truck Company Chicago, Illinois	General American Aerocoach Co. Chicago, Illinois
Beaver Metropolitan Coaches, Inc. Beaver Falls, Pennsylvania	General Motors Corporation Detroit 2, Michigan
C. D. Beck Company Sidney, Ohio	Gotfredson Truck Company Detroit 7, Michigan
Biederman Motors Corporation Cincinnati 14, Ohio.	Graham-Paige Motors Corporation Willow Run, Michigan
Brockway Motor Company, Inc. Cortland, New York	Hahn Motors, Inc. Hamburg, Pennsylvania
Brown Equipment Company Charlotte, North Carolina	Hendrickson Motor Truck Co. Chicago 15, Illinois
Checker Cab Mfg. Corp. Kalamazoo 13, Michigan	Hudson Motor Car Company Detroit 14, Michigan
Chrysler Corporation Detroit 31, Michigan	The Hug Company Highland, Illinois
Coleman Motors Corp. Littleton, Colorado	International Harvester Company Chicago 1, Illinois
The Corbitt Company Henderson, North Carolina	Kaiser-Frazer Corporation Willow Run, Michigan
Crosley Motors, Inc. Cincinnati 14, Ohio	Kalamazoo Coaches, Inc. Kalamazoo, Michigan
Crown Body & Coach Company Los Angeles, California	Kenworth Motor Truck Corp. Seattle 11, Washington
Dart Truck Company Kansas City 8, Missouri	MacDonald Truck & Mfg. Co. San Francisco, California
DeMartini Motor Truck Co. San Francisco, California	Mack Manufacturing Corporation New York 1, New York
Diamond T Motor Truck Company Chicago 23, Illinois	Marmon-Herrington Co., Inc. Indianapolis 7, Indiana
Diveco Corporation Detroit 5, Michigan	Nash Motors Division Nash-Kelvinator Corporation Detroit, Michigan
Duplex Truck Company Lansing 4, Michigan	Oshkosh Motor Truck, Inc. Oshkosh, Wisconsin
Federal Motor Truck Company Detroit 9, Michigan	Packard Motor Car Company Detroit 32, Michigan
Fitzjohn Coach Company Muskegon 89, Michigan	Peterbilt Motors, Inc. Oakland, California
The Flexible Company Loudonville, Ohio	Reo Motors, Inc. Lansing 20, Michigan

Southern Coach & Body Company
 Evergreen, Alabama
 Sterling Motor Truck Company
 Milwaukee 1, Wisconsin
 Stewart Motor Corporation
 Buffalo, New York
 The Studebaker Corporation
 South Bend 27, Indiana
 Superior Coach Company
 Lima, Ohio
 Transit Buses, Inc.
 Dearborn, Michigan

Twin Coach Company
 Kent, Ohio
 Walter Motor Truck Company
 Ridgewood, L. I., 27, New York
 Ward LaFrance Truck Division
 Great American Industries
 Elmira, New York
 The White Motor Company
 Cleveland 1, Ohio
 Willys-Overland Motors, Inc.
 Toledo 1, Ohio

II.

**Affidavit of Tolbert L. Knecht, Vice-President and General
 Manager of Borg and Beck Division of Borg-Warner
 Corp.**

(Caption Omitted)

STATE OF ILLINOIS }
 COUNTY OF COOK } ss.

TOLBERT L. KNECHT, being duly sworn, deposes and says that he is Vice-President and General Manager of the Borg and Beck Division of Borg-Warner Corporation, one of the appellees in litigation now pending in the United States Court of Appeals for the Sixth Circuit, entitled *George I. Goodwin and John F. Daukus, Appellants, vs. Borg-Warner Corporation and David E. Gamble, Appellees*; that the said Borg and Beck Division formerly was known as Borg and Beck Company; that he has been engaged in and familiar with the manufacture, sale, distribution, and installation of clutches and friction clutch plates for use in automotive vehicles and particularly the business of said Borg and Beck Division and the said Borg and Beck Company and the practices of their customers pertaining to the installation and assembly of clutches and clutch plates in automotive vehicles continuously since the year 1920; that the said Borg and Beck Division is one of the larger manufacturers of clutches and clutch plates in the

United States; that the Borglite plate manufactured by the said Borg and Beck Division and in said litigation charged to infringe United States Letters Patent No. 2,324,913 is now employed as the standard driven clutch plate in automotive vehicles manufactured by the following twelve leading companies:

Chrysler Corporation, Detroit, Michigan

Chrysler automobiles

De Soto automobiles

Plymouth automobiles

Dodge automobiles

General Motors Corporation, Detroit, Michigan

Buick automobiles

Cadillac automobiles

Chevrolet automobiles

Oldsmobile automobiles

Plymouth automobiles

Studebaker Corporation, South Bend, Indiana

Nash Motors, Division of Nash Kelvinator Corporation, Kenosha, Wisconsin

Willys-Overland Motors, Inc., Toledo, Ohio

Kaiser-Frazer Motors, Inc., Detroit, Michigan;

that the Chevrolet Division of General Motors Corporation is manufacturing the said Borglite design of clutch plate in its own plants in the State of Michigan in excess of two hundred thousand clutch plates per year; that he is informed and in a position qualifying him to estimate the quantity of driven clutch plates produced commercially in the United States for installation in automotive vehicles and the places where they are manufactured and installed; that in the opinion of the affiant more than ninety-five per cent (95%) of all of the driven clutch plates manufactured in the United States for assembly as original equipment in automotive vehicles in the United States are either manufactured by manufacturers located within the States of Michigan and Ohio or manufactured by the said Borg-

Warner Corporation, or assembled in automobile engine assemblies in the States of Michigan and Ohio.

Tolbert L. Knecht

Subscribed and sworn to before me this 29th day of January, 1947.

O. JANES,

(Seal)

Notary Public

III.

Affidavit of G. Carroll Buzby, President of Automotive Division of the Chilton Company.

(Caption Omitted)

STATE OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } ss.

G. CARROLL BUZBY, being duly sworn deposes and says that he is President of the Automotive Division of the Chilton Company which publishes the publications known as "Automotive and Aviation Industry", "Commercial Car Journal", "Motor Age", and Chilton Automotive Buyers Guide"; that the said Company engages in the compilation and publication of statistics derived from original sources pertaining to the production of automotive vehicles throughout the United States; that these statistics include among other things the production of automotive vehicles in the United States and the location of the various manufacturers thereof; that affiant is informed of the said statistics and in a position qualifying him to state the quantity of automotive vehicles manufactured in the United States and where they are manufactured; that in the opinion of affiant more than ninety-five per cent of the automotive vehicles manufactured in the United States are manufactured by manufacturers located or hav-

ing a regular and established place of business within, incorporated in, or admitted to do business and subject to suit in, the States of Michigan and Ohio.

G. Carroll Buzby

Subscribed and sworn to before me, a Notary Public, this 24th day of January, 1947.

Philip J. Shire, Jr.

Notary Public

Notary Public

My Commission Expires at the End
of the Next Session of the Senate

(Seal)

IV.

Affidavit of Max W. Zabel.

(Caption Omitted)

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

MAX W. ZABEL, being duly sworn, deposes and says that he is one of the attorneys for plaintiff, appellee in the cause identified as George I. Goodwin and John F. Daukus, Appellants, *vs.* Borg-Warner Corporation and David E. Gamble, Appellees, No. 10,119 pending in the United States Circuit Court of Appeals for the Sixth Circuit;

That he appeared as one of the attorneys for the said Borg-Warner Corporation and David E. Gamble, plaintiffs in the said action, at the trial thereof before Honorable Arthur F. Lederle, District Judge, in the District Court of the United States for the Eastern District of Michigan, Southern Division, at Detroit, Michigan, beginning on Thursday, June 1, 1944, at ten o'clock A. M., continuing on the following day and again on Tuesday September 26, 1944, beginning at ten o'clock A. M., on which

day the trial was concluded, and participated in and was present throughout the trial proceedings in that Court; that Raymond L. Greist, Esq., appeared as attorney for the said George I. Goodwin and John F. Daukus, defendants, participated in and was present at the said trial throughout its duration; that during the course of the said trial statements were made in the presence of affiant by the Court and the said Raymond L. Greist as attorney for the said George I. Goodwin and John F. Daukus, which statements appear in an official transcript of the proceedings at the said trial, as follows:

Mr. Greist (June 1, 1944), Transcript p. 107:—

“If you will refer to what I call my trial brief, I would like to say why the majority of the claims of the Daukus patent in suit are in our opinion both valid and infringed. We choose to rely, for the purpose of infringement, on the following claims: I have noted this on my copy of the Daukus patent; they are claims 4, 6, 13, 14, 15, 17, 19, 20, and 23.”

Excerpts from Transcript for Tuesday, September 26, 1944:—

(p. 55) “The Court: Mr. Greist, what Mr. Zabel was just saying to me is that if your patent is sustained, the device that I have here—this is Exhibit AAA-30—and this reads right on your patent, that Borg-Warner is manufacturing a device that they manufactured millions of back in the late 20's, they would now be infringing your patent, and that, in effect, you could start collecting royalties on this old device he stated they manufactured back in 1928. . . .”

(p. 56) “Mr. Greist: Anything that would, coming later, be an infringement, would, if it came before, be an anticipation. And I agree with that 100 per cent . . .”

(p. 58) (continuing) “Now, I say this, that while our patent contains a number of claims, we are relying only on certain of them. I am not prepared to say that a few of the claims of this Daukus patent clearly define what we now find to be the patentable invention

over the prior art. We could not have disclaimed before, because we did not know."

(p. 81, 82) "The Court: . . . Where does it leave you if you were in a position where you had to concede that some of your claims in the Daukus patent were too broad?

Mr. Greist: We are not required to disclaim until such time as we know they are too broad or until such time as the Court has told us so. We can disclaim within 30 days after you say, for instance, that claims 1 and 2 are too broad. We could disclaim right now if we can thereby reach an issue.

I say this, that our claims which do not bring in the fact that our cushion members are both distorted axially and are structurally independent members between the facings, if the claims do not bring that in, I do not believe they define invention."

that he appeared as attorney for the said Borg-Warner Corporation and David E. Gamble, appellees, and argued the said cause for them before the United States Circuit Court of Appeals for the Sixth Circuit comprising Circuit Judges Simons, Allen, and Martin, at Cincinnati, Ohio, on April 11, 1946, and at which time and place the said Raymond L. Greist, Esq., appeared and argued the cause for the said George I. Goodwin and John F. Daukus, appellants, and was provided with a copy of the appellants' brief filed with and submitted to that Court by the said Raymond L. Greist, Esq. as their attorney; that in accordance with sub-division 2 of Rule 21 of that Court, there is set forth on the unnumbered flyleaf of the said appellants' brief in that Court the following:

"STATEMENT OF QUESTIONS INVOLVED

1. *Did Daukus' contribution to the clutch plate art amount to patentable invention in view of the state of the art at the time he made the invention?*

The District Judge found that it did not amount to patentable invention.

The District Judge should have found that it did.

2. *Is Borg-Warner Corporation's "Borglite" clutch plate an infringement of any of the claims of the Daukus patent?*

The District Judge, having found the patent invalid in its entirety, did not pass on this.

The District Judge should have found claims 4, 6, 13, 14, 15, 17, 19, 20, and 23 of the patent valid and infringed by the "Borglite" plate."

On the first page of appellants' brief it is stated:

"This is an appeal from the judgment of the District Court in dismissing defendants' patent infringement counterclaim, in which counterclaim defendants had asked that the Court find Daukus patent No. 2,324,913 valid and infringed."

On the second page of appellants' brief it is stated:

"THE JUDGMENT

"The District Court dismissed the original complaint, held the Daukus patent invalid and dismissed the counterclaim (Rec. 40). Plaintiffs did not appeal. Defendants have appealed from that part of the judgment which dismissed the counterclaim (Rec. 44).

On pages 16 and 17 of appellants' brief it is stated:

"The District Judge was advised at the time of the trial that on the issue of patent infringement defendants were relying on claims 4, 6, 13, 14, 15, 17, 19, 20, and 23 as infringed."

that the argument contained in the appellants' brief is devoted to two topics which are stated in the language of the two questions set forth in the "Statement of Questions Involved" on the flyleaf thereof, above quoted, and under the second of these topics, on p. 37 it is stated:

"Of the nine claims which are asserted here as infringed, namely, claims 4, 6, 13, 14, 15, 17, 19, 20, and 23, . . .";

that appellants did not assert in said brief or in the argu-

ment before the said Circuit Court of Appeals either validity or infringement of any claims of the said Daukus Patent No. 2,324,913 except those specified in their brief as hereinbefore stated; that on the 14th day of January, 1947, he caused an investigation to be made of the records in the United States Patent Office, in the City of Washington, in the District of Columbia, wherein the filing of disclaimers of United States Letters Patent for inventions is recorded for the purpose of ascertaining whether or not any disclaimer of claims of United States Letters Patent No. 2,324,913 issued to John F. Daukus for Clutch Plate had been filed in that office, and that no record of any such disclaimer was found.

Max W. Zabel

Subscribed and sworn to before me, a Notary Public, this 25th day of January, 1947.

Janet E. Irwin

Notary Public

(Seal)

V.

DEPARTMENT OF COMMERCE

United States Patent Office

To all persons to whom these presents shall come,

Greeting:

This is to Certify that the annexed is a true copy from the records of this office of Letter of the Executive Officer, dated January 17, 1947, and addressed to:—

Bacon & Thomas

Attorney at Law

Shoreham Building

Washington 5, D. C.

In Testimony Whereof I have hereunto set my hand and caused the seal of the Patent Office to be affixed at the City of Washington, this seventeenth day of January, in the year of our Lord one thousand nine hundred and forty-seven and of the Independence of the United States of America the one hundred and seventy-first.

Casper W. Ooms,
Commissioner of Patents.

Attest:

D. E. Wilson,
Chief of Division.

(Seal)

DEPARTMENT OF COMMERCE

United States Patent Office
Washington

R

January 17, 1947.

Bacon & Thomas
Attorneys at Law
Shoreham Building
Washington 5, D. C.
Gentlemen:

This will acknowledge your letter of January 14, 1947.

The records of the Patent Office fail to show that any statutory disclaimer has been filed in connection with Dankus patent 2,324,913.

Very truly yours,
C. E. Haglund
C. E. Haglund
Executive Officer

FILE COPY

Office - Supreme Court, U. S.

FILED

JUN 5 1947

CHARLES KENNEDY GRISLEY
CLERK

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION AND DAVID
E. GAMBLE,
Petitioners,

VS.

GEORGE I. GOODWIN AND JOHN F. DAUKUS,
Respondents.

**RESPONDENTS' BRIEF IN OPPOSITION TO PETI-
TIONERS' MOTION FOR LEAVE TO FILE
(SECOND) PETITION FOR REHEARING.**

RAYMOND L. GREIST,
Counsel for Respondents.



IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION AND DAVID
E. GAMBLE,
Petitioners,

vs.

GEORGE I. GOODWIN AND JOHN F. DAUKUS,
Respondents.

**RESPONDENTS' BRIEF IN OPPOSITION TO PETI-
TIONERS' MOTION FOR LEAVE TO FILE
(SECOND) PETITION FOR REHEARING.**

Petitioners have brought a motion for leave to file a (second) petition for rehearing, which motion is accompanied by the proposed petition.

This proposed second petition for rehearing is not only far out of time (the first petition for rehearing was denied February 3, 1947) but is directed to questions which petitioners have already raised before this Court.

In their motion petitioners seek to excuse the long delay in filing their proposed second petition for rehearing by

representing (see page 3 of Motion, line 7) that they have "not previously raised" before this Court the questions which they recently urged by motion before the Court of Appeals, namely, those relating to the alleged necessity of a disclaimer, which questions they say they now wish this Court to consider.

This allegation is not true. Petitioners raised the very same questions relative to disclaimer before this Court in their first petition for rehearing (see pages 22 to 26, inclusive, of [first] Petition for Rehearing), which petition was denied February 3, 1947.

Petitioners' present motion is but one of a long series of unsuccessful time-consuming moves, which moves have had, and are continuing to have, the effect of interminably delaying final conclusion of this litigation. The Court of Appeals entered its decree in this case on July 1, 1946, almost a year ago.

The motion should be denied.

Respectfully submitted,

RAYMOND L. GREIST,
Counsel for Respondents.

June 4, 1947.

FILE COPY

U.S. - Supreme Court, U. S.

FILED

JUN 6 1947

CHARLES ELMORE DUDLEY

IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

Petitioners,

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,
Respondents.

**PETITIONERS' REPLY TO RESPONDENTS' BRIEF
IN OPPOSITION TO PETITIONERS' MOTION FOR
LEAVE TO FILE (SECOND) PETITION FOR RE-
HEARING.**

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,
Petitioners,

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,
Respondents.

**PETITIONERS' REPLY TO RESPONDENTS' BRIEF
IN OPPOSITION TO PETITIONERS' MOTION FOR
LEAVE TO FILE (SECOND) PETITION FOR RE-
HEARING.**

Respondents, instead of directing their brief to the merits of petitioners' motion, content themselves with charging that petitioners in bringing the motion merely resort to delaying tactics and seek to excuse their delay by misrepresentation. Specifically, respondents distort the sentence beginning in line 4 of page 3 of petitioners' motion into a representation that petitioners had not previously raised before this Court the questions which petitioners now seek to have this Court consider.

Petitioners did not intend to make any such representation, and it is not believed that their language is fairly susceptible of such interpretation. Their reference to the

jurisdictional and other questions presented by those motions as "not previously raised" was made in relation to proceedings below affecting the *judgment* of which review is sought. Moreover, the companion petition for writ of certiorari does present procedural questions which were not previously presented to this Court.

Petitioners are quite aware, as the Court must be, of the matters set forth in their first petition for rehearing. Such matters had not previously been presented in the lower courts. The motions under consideration were made with a view to presenting those questions in the Sixth Circuit Court of Appeals so that they might properly be considered by this Court. The denial of the motions gives rise to further procedural questions. It is believed that the judgment of July 1, 1946 is affected, by the questions presented in the motions and should be reviewed.

Whatever delay there has been in presenting the motion for leave is due largely to the fact that, at respondents' request, the motions in the Court of Appeals were set for hearing two months after they were filed, and to inability sooner to procure the printed transcript of record.

It is submitted that the motion is meritorious and should be granted.

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

FILE COPY

Case - Supreme Court, U.S.

FILED

JUN 16 1947

CHARLEY ELMORE PROPL

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,
Petitioners,

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,
Respondents.

**MOTION FOR LEAVE TO FILE PETITION FOR
REHEARING AND PETITION FOR REHEARING.**

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

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* * * *

OPINION OF THE COURT BELOW.

The Court of Appeals entered its order of April 9, 1947, denying petitioners' motions without opinion.

The previously rendered opinion of the Court of Appeals entered with its decree of July 1, 1946, is officially reported in *Goodwin v. Borg-Warner Corp.*, 157 F (2d) 267.

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

Petitioners,

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,
Respondents.

**MOTION FOR LEAVE TO FILE PETITION FOR
REHEARING.**

*To the Honorable Frederick M. Vinson, Chief Justice of
the United States, and the Associate Justices of the
Supreme Court of the United States:*

Your Petitioners respectfully request leave to file the accompanying (second) petition for rehearing of the petition for writ of certiorari to the United States Circuit Court of Appeals for the Sixth Circuit in the above entitled case, denied by this Court January 6, 1947; petition for rehearing denied February 3, 1947.

Reasons for Asking Leave.

I. Since the order denying the petition for writ of certiorari and prior to the issuance of mandate from the Circuit Court of Appeals for the Sixth Circuit, further

proceedings in this cause were had in that Court, as follows:

On February 6, 1947, petitioners (appellees below) filed in that Court two motions (1) to reform the decree of that Court entered July 1, 1946, "by deleting therefrom the words 'the decree of the said District Court' and inserting in lieu thereof the words 'that part of the decree of the said District Court which dismisses defendant's counterclaim' " so as to conform the decree to the amended notice of appeal, and (2) "that the decree heretofore and on the first day of July, 1946, filed and entered in the above entitled cause be vacated and the appeal dismissed" as the controversy had become moot, and "alternatively, and additionally, that the cause be remanded to the District Court of the United States for the Eastern District of Michigan for the purpose only of permitting and enabling the said plaintiffs to file in that Court an amended and supplemental answer to defendants' counterclaim setting forth as a defense the matters hereinafter stated, and a responsive pleading, if desired, by defendants, appellants, and a trial of the issue presented thereby and an adjudication thereof by the said District Court, and further proceedings according to law, to the end that this Court may be better advised in its determination of the matters presented herein."

Following a hearing on those two motions (pursuant to an order of court and at respondents' request) before the court in chambers, held April 8, 1947, the said Circuit Court of Appeals by an order dated April 9, 1947, denied the motions without opinion.

II. A petition for writ of certiorari to review the proceedings on those motions is being filed in this Court contemporaneously with this petition. Those proceedings are set forth in a transcript of record filed with that petition, and the Court is requested to take judicial notice of that petition and the brief and transcript accompanying it

in considering this petition and for the purposes of this petition to treat the said petition, brief and transcript of record as if incorporated in this petition.

III.. It is believed that the jurisdictional and other questions presented by the motions which have been mentioned and which are the subject of the companion petition for writ of certiorari, though not previously raised, affect the judgment of which review was sought in this case and that a well recognized ground for the exercise of jurisdiction by this Court exists as set forth in the said companion petition and the proposed petition for rehearing.

Cases in which this Court has granted leave to file a petition for rehearing of an order denying a petition for writ of certiorari after the expiration of the period allowed by Rule 33 in similar circumstances include:

Kellogg Company v. National Biscuit Company,
304 U. S. 586; s. c. 302 U. S. 777, 733.

Scriber-Schroth Co. v. Cleveland Trust Co., 304
U. S. 587; s. c. 303 U. S. 667, 639.

Paramount Public Corp. v. American Tri-Ergon Corp., 293 U. S. 528, 55 S. Ct. 139, 79 L. Ed. 638.

Altoona Public Theatres, Inc. v. American Tri-Ergon Corp., 293 U. S. 528, 55 S. Ct. 139, 79 L. Ed. 638.

We respectfully submit that this Court should grant petitioners leave to file the accompanying petition for rehearing of the petition for writ of certiorari to the Court of Appeals for the Sixth Circuit in the instant case, denied by this Court January 6, 1947, and that the accompanying petition for rehearing should be granted.

MAX W. ZABEL,

EDWARD C. GRITZBAUGH,

BENTON BAKER,

Counsel for Petitioners.

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

Petitioners,

VS.

GEORGE I. GOODWIN and JOHN F. DAUKUS,

Respondents.

PETITION FOR REHEARING.

*To the Honorable Frederick M. Vinson, Chief Justice of
the United States, and the Associate Justices of the
Supreme Court of the United States:*

Your petitioners respectfully request that the Court reconsider its action of January 6, 1947, denying petitioners' petition for writ of certiorari filed in the above entitled case November 18, 1946; that the order then entered in the case be revoked or vacated; and that a writ of certiorari to the United States Circuit Court of Appeals for the Sixth Circuit be granted according to the prayer of said petition.

The reason for this petition is that during the present term of this Court and since February 3, 1947, when

this Court denied petitioner's first petition for rehearing of their said petition for writ of certiorari in this cause, further proceedings have been had in the Circuit Court of Appeals for the Sixth Circuit, as follows:

On February 6, 1947, petitioners (appellees below) filed in that Court two motions:

(1) to reform the decree of that Court entered July 1, 1946, "by deleting therefrom the words 'the decree of the said District Court' and inserting in lieu thereof the words 'that part of the decree of the said District Court which dismisses defendant's counterclaim'" so as to conform the decree to the amended notice of appeal, and

(2) "that the decree heretofore and on the first day of July, 1946, filed and entered in the above entitled cause be vacated and the appeal dismissed" as the controversy had become moot,

and "alternatively, and additionally that the cause be remanded to the District Court of the United States for the Eastern District of Michigan for the purpose only of permitting and enabling the said plaintiffs to file in that Court an amended and supplemental answer to defendants' counterclaim setting forth as a defense the matters hereinafter stated, and a responsive pleading, if desired, by defendants, appellants, and a trial of the issue presented thereby and an adjudication thereof by the said District Court, and further proceedings according to law, to the end that this Court may be better advised in its determination of the matters presented herein."

Those motions were filed in the Court of Appeals promptly following the denial of the petition for rehearing by this Court and prior to the issuance of mandate from the Court of Appeals. Following a hearing on those two motions (pursuant to an order of Court and at respondents' request) before the Court in chambers, held April 8, 1947, the said Circuit Court of Appeals by an

order dated April 9, 1947, denied the motions without opinion.

A petition for writ of certiorari to review the proceedings on those motions is being filed in this Court contemporaneously with this petition. Those proceedings are set forth in a transcript of record filed with that petition, and the Court is requested to take judicial notice of that petition and the brief and transcript of record accompanying it in considering this petition and, for the purposes of this petition, to treat the said petition, brief and transcript of record as if incorporated in this petition.

It is believed that the jurisdictional and other questions presented by those motions, for the reasons stated in the companion petition for writ of certiorari and the brief in support thereof, warrant reconsideration by this Court of petitioner's previously filed petition for writ of certiorari and the granting of the writ to the end that the decree of the Sixth Circuit Court of Appeals entered July 1, 1946, be reviewed and appropriate directions be given to that court in the interest of the expeditious administration of justice.

The attention of the Court is called particularly to the fact that, in addition to departing from applicable decisions of this Court in refusing to reform its decree to conform to the amended notice of appeal and to vacate its decree and dismiss the appeal for failure of jurisdiction due to invalidity of the patent under the disclaimer statutes, the Sixth Circuit Court of Appeals in pronouncing "the patent" valid and reversing the judgment of the District Court generally will surely confound the District Court. This is so because the decree of the Court of Appeals imposes on the District Court the impossible duty of reconciling with the decree of the Court of Appeals the unappealed part of its own judgment adjudging all claims of the patent in suit invalid. Obviously, the decision of the

Court of Appeals pronouncing "the patent" valid and adjudging valid and infringed the nine specified claims upon which respondents relied for infringement is incompatible with the unappealed part of the District Court's judgment adjudging all claims of the patent invalid, especially in view of the disclaimer statutes. The impropriety of placing the District Court in the predicament of having to reconcile the two irreconcilable judgments seems manifest. The observations of this Court in *Hormel v. Helvering*, 312 U. S. 552, 557 quoted in the brief in support of the companion petition for writ of certiorari appear to be quite in point.

Cases in which this Court has granted a petition for rehearing and revoked or vacated an order denying a petition for certiorari and granted such writ in similar circumstances include:

Kellogg Company v. National Biscuit Company,
304 U. S. 586, s. c. 302 U. S. 777, 733.

Schriber-Schroth Co. v. Cleveland Trust Co., 304
U. S. 587; s. c. 303 U. S. 667, 639.

Paramount Publix Corp v. American Tri-Ergon Corp., 293 U. S. 528, 55 S. Ct. 139, 79 L. Ed. 638.

Altoona Publix Theatres, Inc. v. American Tri-Ergon Corp., 293 U. S. 528, 55 S. Ct. 139, 79 L. Ed. 638.

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,

Counsel for Petitioners.

I, Benton Baker, counsel for the above named petitioner do hereby certify that the foregoing petition for rehearing of this cause is presented in good faith and not for delay.

BENTON BAKER.